

BRAZILIAN DISTRIBUTION CO COMPANHIA BRASILEIRA DE DISTR CBD

Form 6-K

December 07, 2015

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## FORM 6-K

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

### Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16 of  
the Securities Exchange Act of 1934

For the month of December, 2015

Brazilian Distribution Company  
(Translation of Registrant's Name Into English)

Av. Brigadeiro Luiz Antonio,  
3142 São Paulo, SP 01402-901  
Brazil  
(Address of Principal Executive Offices)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F)

Form 20-F  Form 40-F

(Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101 (b) (1)):

Yes  No

(Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101 (b) (7)):

Yes  No

(Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

Yes  No

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**COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO**

CNPJ/MF Nº 47.508.411/0001-56 - NIRE 35.300.089.901

**GENERAL MEETING PARTICIPATION MANUAL AND MANAGEMENT PROPOSAL**

**EXTRAORDINARY GENERAL SHAREHOLDERS' MEETING**

**DATE: 22 DECEMBER 2015**

**TIME: 11 AM**

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## COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Authorized Capital Publicly-Held Company

Corporate Taxpayer's No. (CNPJ/MF): 47.508.411/0001-56  
NIRE: 35.300.089.901

### CALL NOTICE EXTRAORDINARY SHAREHOLDERS' MEETING TO BE HELD ON 22 DECEMBER 2015

The shareholders of **COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO**, a publicly held company, with head offices in the City of São Paulo, State of São Paulo, at Av. Brigadeiro Luis Antônio, No. 3,142, CEP 01402-901, registered with the Board of Trade under NIRE 35.300.089.901 and enrolled with the CNPJ/MF under No. 47.508.411/0001-56, registered with the Brazilian Securities Commission (*Comissão de Valores Mobiliários*) ("**CVM**") as a publicly-held company category "A" under code 14826 ("**Company**"), in accordance with article 124 of Law No. 6,404 of December 15, 1976, as amended ("**Brazilian Corporate Law**") and articles 3<sup>rd</sup> and 5<sup>th</sup> of CVM Ruling No. 481, of December 17, 2009, as amended ("**CVM Ruling 481**"), are convened to meet at the Extraordinary Shareholders' Meeting ("**Shareholders' Meeting**") to be held at 11:00 am on December 22, 2015 at the Company's head office, in order to decide on the following agenda:

- (i) approve the merger into the Company of part of the spun-off assets of Nova Pontocom Comércio Eletrônico S.A. ("**Nova Pontocom**"), in accordance with the terms and conditions described in the "Spin-Off Protocol and Justification of Nova Pontocom Comércio Eletrônico S.A.", executed among the management of the companies involved, assuming that the total and disproportional spin-off of Nova Pontocom will be approved and completed;
- (ii) ratify the appointment of Magalhães Andrade S/S Auditores Independentes, enrolled with the Regional Accounting Council of the State of São Paulo, under No. 2SP000233/O-3 and with the CNPJ/MF under No. 62.657.242/0001-00, with head offices in the City of São Paulo, State of São Paulo, at Av. Brigadeiro Faria Lima, No. 1,893, 6<sup>th</sup> floor, Jardim Paulistano ("**Magalhães Andrade**"), as the expert company responsible for the elaboration of the appraisal report of Nova Pontocom's spun-off assets and of the spun-off assets to be spun-off and merged into the Company, at the base date of September 30, 2015 ("**Spin-Off Appraisal Report**");
- (iii) approve the Spin-Off Appraisal Report;
- (iv) approve the merger into the Company of its subsidiary, Sé Supermercados Ltda. ("**Sé**"), in the terms and conditions described in the "Merger Protocol and Justification of Sé Supermercados Ltda.", executed by the management of the Company and Sé ("**Merger**");

(v) ratify the appointment of Magalhães Andrade as the expert company responsible for the elaboration of the appraisal report of the net equity of Sé to be merged into the Company, on the base date of September 30, 2015 (“**Merger Appraisal Report**”);

(vi) approve the Merger Appraisal Report;

(vii) if the abovementioned matters are approved, authorize the management of the Company to take all necessary actions in order to carry out the resolutions proposed and approved by the shareholders of the Company;

(viii) approve the amendment of Article 2 of the Company's By-laws, to include, in the Company's corporate purposes, the activity of "import of beverages, wines and vinegars"; and

(ix) approve, in view of the resolution above, the restatement of the Company's By-laws.

The shareholders and their legal representatives shall attend to the Shareholders' Meeting bearing identity documents and the updated certificate of the Company's shares, issued by the financial institution providing bookkeeping services and/or custody agent. Regarding the representation by proxy, the shareholders shall submit the mandate under applicable law at least three (3) days in advance of the date of the Shareholders' Meeting. The documents shall be submitted to the Company's Corporate Legal Department, at Av. Brigadeiro Luis Antônio, 3142, city of São Paulo, State of São Paulo.

The shareholders who do not previously submit the documents still will be able to attend to the Shareholders' Meeting if they present such documents at the opening of the meeting, as set forth by article 5, §2 of CVM Ruling No. 481.

The documents regarding the agenda of the Shareholders' Meeting are available at the Company's head office and respective web sites of the Company ([www.gpari.com.br](http://www.gpari.com.br)), BM&FBOVESPA (<http://www.bmfbovespa.com.br>) and (<http://www.cvm.gov.br>) CVM, in accordance with the legal provisions set forth in the Brazilian Corporate Law and applicable ruling.

São Paulo, 5 December 2015

**JEAN-CHARLES HENRI NAOURI**

President of the Board of Directors

## **MANAGEMENT PROPOSAL**

Messrs. Shareholders,

The management of Companhia Brasileira de Distribuição (“**Company**”), pursuant to Law No. 6.404, of 15 December 1976, as amended (“**Brazilian Corporate Law**”) and CVM Instruction No. 481, of 17 December 2009, as amended (“**CVM Instruction No. 481**”), hereby submits to your appreciation, who shall be gathered in an extraordinary general shareholders’ meeting, to be held on 22 December 2015, at 11 am, at the Company’s headquarters, located in the city of São Paulo, State of São Paulo, at Av. Brigadeiro Luis Antônio, No. 3,142, Zip Code 01402-901 (“**EGSM**”), this proposal (“**Proposal**”).

### **1 PURPOSE**

According to the Material Fact dated 19 November 2015, the purpose of this Proposal is to establish the terms and conditions related to the corporate transaction of the economic group to which the Company belongs, which comprises the following:

- (i) total spin-off of Nova Pontocom (as defined below) and merger of its spun-off assets by (a) the Company, (b) Via Varejo S.A., publicly-held company, headquartered in the city of São Caetano do Sul, State of São Paulo, at Rua João Pessoa, nº 83, Centro, CEP 09520-010, enrolled with the National Corporate Taxpayers' Registry under Ministry of Treasury ("**CNPJ/MF**") under nº 33.041.260/0652-90 and the Board of Trade of the State of São Paulo ("**JUCESP**") under NIRE 35.300.394.925 ("**Via Varejo**"); (c) **QE Participações Ltda.**, a limited liability company under incorporation, headquartered in the city of São Paulo, State of São Paulo, at Rua das Açucenas, No. 206, Cidade Jardim, CEP 05673-040 (parte) ("**QE Participações**"); and (d) **Camberra Participações Ltda.**, a limited liability company under incorporation, headquartered in the city of São Paulo, State of São Paulo, at Rua Gomes de Carvalho, No. 1.609, 7<sup>th</sup> floor, Vila Olímpia, CEP 04547-006 (parte), ("**Camberra Participações**" and, together with the Company, Via Varejo and QE Participações, "**Acquiring Companies**"), with the subsequent extinction of Nova Pontocom ("**Spin-Off**"); and
- (ii) merger of Sé Supermercados Ltda. (as defined below) into the Company ("**Merger**" and, together with the Spin-Off, "**Transactions**").

The information required under article 8 of CVM Instruction 481, due to the fact that the Spin-Off and Merger proposals involve related parties, is provided in **Exhibit I-A** and **Exhibit I-B**, respectively, to this Proposal.

## 2 TRANSACTIONS

### 2.1 Spin-Off

The Spin-Off comprises the total disproportional spin-off, under the terms of article 227, 229, §3 and §5, second part, of the Brazilian Corporate Law, of **Nova Pontocom Comércio Eletrônico S.A.**, corporation headquartered in the city of São Paulo, State of São Paulo, at Rua Gomes de Carvalho, 1609, 3<sup>rd</sup> to 7<sup>th</sup> floors, Zip Code 04547-006, enrolled with CNPJ/MF under No. 09.358.108/0001-25 and with JUCESP under NIRE 35.300.386.540 ("**Nova Pontocom**"), Company's subsidiary, assuming that the total and disproportional spin-off of Nova Pontocom is approved and completed, and the subsequent merger of the Spun-Off Assets by the Acquiring Companies, shareholders holding the total corporate capital of Nova Pontocom, proportionally to the interest of the Acquiring Companies in the corporate capital of Nova Pontocom.

The main terms of the Spin-Off, as set forth in article 20-A of CVM Instruction No. 481, are described in **Exhibit II-A** to this Proposal.

The Spin-Off shall result in the transfer and the subsequent merger, by the Acquiring Companies, of Nova Pontocom's assets and liabilities, proportionally to the interest of the Acquiring Companies in the corporate capital of Nova Pontocom. The Spin-Off shall be carried out under the terms of the Spin-Off set forth in the Shareholders' Agreement of Nova Pontocom entered into among the Company and all other shareholders of Nova Pontocom on 23 July 2014, in the context of the group's E-Commerce Business Combination<sup>1</sup>, which is aligned with the strategy for optimization of the Company's corporate structure.

By virtue of the merger of the spun-off portion of Nova Pontocom by the Acquiring Companies, Nova Pontocom shall be terminated. The corporate capital of the Acquiring Companies shall not be modified, as, due to the Spin-Off, the investments held by the Acquiring Companies in Nova Pontocom shall be cancelled and replaced by the assets and liabilities encompassed in the portion of the Spun-Off Assets attributed and merged into each of the Acquiring Companies.

## 2.2 Merger

The Merger comprises the merger by the Company, under the terms of article 227 of the Brazilian Corporate Law, of **Sé Supermercados Ltda.**, limited-liability company, headquartered in the city of São Paulo, State of São Paulo, at Av. Brigadeiro Luís Antônio, 3172, Jardim Paulista, CEP 01402-002, enrolled with CNPJ/MF under No. 01.545.828/0001-98 ("**Sé**"), the Company's subsidiary.

Considering that, on the Merger date, the Company shall be the holder of the shares representing Sé's total corporate capital, the Company shall fully receive Sé's net assets in replacement for the shares that the Company held, which shall be cancelled as a result of the Merger.

The Company's interest in Sé, therefore, shall be replaced, in the Company's balance sheet, for the assets and liabilities comprising Sé's shareholders' equity, at their respective book value. After the Merger, Sé shall be extinct and the Company's corporate capital shall remain unchanged.

The main terms of the Merger, as set forth in article 20-A of CVM Instruction 481, are described in **Exhibit II-B** to this Proposal.

## 2.3 Other conditions applicable to the Transactions

Once the Spin-Off is approved by Nova Pontocom's shareholders and by the shareholders and partners of the Acquiring Companies and the Merger is approved by the Company's shareholders, the managements of the companies involved in the Transactions shall undertake all acts, records and registries deemed necessary for the consummation of the Transactions.

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<sup>1</sup> Subject to the material facts disclosed on 6 May 2014, 4 June 2014 and 24 July 2014.



If approved, the Transactions shall be effective as from the date of their approvals by the shareholders and partners of the companies involved.

### **3 Transaction Documents**

### 3.1 Protocol

As set forth in the Brazilian Corporate Law, the terms and conditions of the Transactions shall be included in the protocol discussed and agreed between the management bodies or the companies' partners.

Such protocol shall include the following information: (i) the evaluation criteria of the net equity, evaluation base date and the criteria adopted for the subsequent equity changes; (ii) the description of the succession of rights and obligations as a result of the Transactions; (iii) the necessary corporate acts to approve the Transactions; and (iv) all other conditions related to the Transactions.

In addition to the protocol, the current legislation provides for the justification of the transaction to be approved at the general meeting or, however the case may be, by the companies' shareholders, including detailed information on: (i) the reasons or purposes of the Spin-Off and Merger, and the Company's interest to carry out these Transactions; and (ii) the subsequent extinction of Nova Pontocom and Sé, as a result of, respectively, the Spin-Off and Merger, not subject to the corporate capital increase in the Acquiring Companies in connection with the Spin-Off and in the Company in connection with the Merger, as (a) the investments held by the Acquiring Companies in Nova Pontocom shall be cancelled and replaced by the assets and liabilities comprising the Spun-Off Assets of Nova Pontocom to be transferred to each one of the Acquiring Companies; and (b) the Sé's shares held by the Company, representing its total corporate capital, shall be cancelled and replaced by Sé's net assets in the Company.

The "Protocol and Justification of the Total Spin-Off of Nova Pontocom Comércio Eletrônico S.A.", which sets forth the terms and conditions, and the justification of the Spin-Off ("**Spin-Off Protocol**"), executed by the management of the companies involved on 3 December 2015, attached to this Proposal as **Exhibit II-A(i)**.

The "Protocol and Justification of the Merger of Sé Supermercados Ltda. into Companhia Brasileira de Distribuição", which sets forth the terms and conditions, and the justification of the Merger ("**Merger Protocol**"), executed by the managements of the Company and Sé on 18 November 2015, is attached to this Proposal as **Exhibit II-B(i)**.

### 3.2 Appraisal Report

The appraisal report of the Spun-Off Assets of Nova Pontocom to be transferred to the Acquiring Companies ("**Spin-Off Appraisal Report**"), attached to this Proposal as **Exhibit II-A(ii)**, as set forth in article 226 of the Brazilian Corporate Law, was prepared by Magalhães Andrade (as defined below), an independent appraisal firm engaged by the Acquiring Companies' managements. Under Brazilian Corporate Law, the engagement of Magalhães Andrade shall be approved or ratified, as the case may be, by the management and by the shareholders of Nova Pontocom, of the Company and of Via Varejo, as well as by the partners of QE Participações and of Camberra Participações.

According to the Spin-Off Appraisal Report, the Spun-Off Assets of Nova Pontocom to be transferred to the Acquiring Companies, as at 30 September 2015, amount to R\$ 10,000.00 (ten thousand reais), which shall be distributed between the Acquiring Companies, according

to their respective interest in the corporate capital of Nova Pontocom, as follows: (i) R\$ 5,320.34 (five thousand, three hundred and twenty reais and thirty-four cents) to the Company; (ii) R\$ 4,389.97 (four thousand, three hundred and eighty-nine reais and ninety-seven cents) to Via Varejo; (iii) R\$ 272.27 (two hundred and seventy-two reais and twenty-seven cents) to QE Participações; and (iv) R\$ 17.42 (seventeen reais and forty-two cents) to Camberra Participações. Under the terms of the Spin-Off Protocol, the Acquiring Companies shall receive eventual equity changes between the evaluation base date and the effective date of the Spin-Off.

In turn, the appraisal report on Sé's net equity ("**Merger Appraisal Report**"), attached to this Proposal as **Exhibit II-B(ii)**, was also prepared by Magalhães Andrade, and, as set forth in the Brazilian Corporate Law, this engagement shall be approved or ratified, however the case may be, by (i) the Company, as the sole partner of Sé; and (ii) the management and shareholders of the Company.

According to the Merger Appraisal Report, Sé's net assets, as at September 30, 2015, amount to R\$ 2,713,030,406.64 (two billion, seven hundred and thirteen billion, thirty thousand, four hundred and six reais and sixty-four cents), which shall be fully received by the Company.

### **3.3 Information About the Appraisal Firm**

The Company's management, for purposes of article 21 of CVM Instruction 481, provides the following information relating to Magalhães Andrade S/S Auditores Independentes, enrolled with CNPJ/MF under No. 62.657.242/0001-00, registered with CRC/SP under nº 2SP000233/O-3, headquartered in the city of São Paulo, State of São Paulo, at Avenida Brigadeiro Faria Lima, 1893, 6º andar, Jardim Paulistano, CEP 01452-001 ("**Magalhães Andrade**"), engaged as the appraisal firm responsible for the preparation of the Spin-Off Appraisal Report and Merger Appraisal Report:

- (i) **Recommended appraiser.** For the preparation of the Spin-Off Appraisal Report and Merger Appraisal Report, the Company's management recommended the engagement of the independent firm Magalhães Andrade.
- (ii) **Description of the technical qualification of Magalhães Andrade.** The description of the technical qualification of Magalhães Andrade for the preparation of the Spin-Off Appraisal Report and Merger Appraisal Report is included in **Exhibit III** hereto.
- (iii) **Work proposal.** The work proposal presented by Magalhães Andrade to the Company is available for consultation by the shareholders at the Company's head office.
- (iv) **Relationship between Magalhães Andrade, the Company and the related parties over the last 3 (three) years.** The list of the work performed by Magalhães Andrade over the last 3 (three) years is included in **Exhibit IV** hereto.

## **4 ABSENCE OF REPORTS OF ARTICLE 264 OF BRAZILIAN CORPORATE LAW**

In addition to the abovementioned considerations, the Company emphasizes that, in the context of the Transactions, the reports set forth in article 264, of the Brazilian Corporate Law, shall not be prepared due to the following reasons:

(i) the absence, in the context of the Merger, of exchange of shares, as well as the lack of Sé's minority shareholders to be under custody, as Sé's total shares are held by the Company; and

(ii) in the context of the Spin-Off, the absence of exchange of shares, and the report set forth in article 264, of the Brazilian Corporate Law, would be prepared solely for purposes of information.

## **5 CORPORATE APPROVALS**

This proposal was approved by the Company's board of directors and recommended by the Company's audit committee at the meetings held on 18 November 2015 and 16 November 2015, respectively, according to the minutes available at the Company's head office and respective websites of the Company ([www.gpari.com.br/](http://www.gpari.com.br/)), CVM ([www.cvm.gov.br](http://www.cvm.gov.br)) and BM&FBOVESPA ([www.bmfbovespa.com.br](http://www.bmfbovespa.com.br)).

## **6 PROPOSAL OF AMENDMENT OF THE BY-LAWS**

Pursuant to the provisions of Article 11 of the CVM Instruction No. 481 and due to the proposal of the amendment of Article 2 of the Company's By-laws in order to include, in the Company's corporate purposes, the activity of "import of beverages, wines and vinegars", the management attaches to this Proposal the following documents: (i) copy of the consolidated By-laws reflecting the proposed amendments, as **Exhibit V**; (ii) report explaining the origin and justification of the proposed amendments, as **Exhibit VI**; and (iii) table comparing the (a) current and (b) proposed versions of the By-laws, analyzing its legal and economic effects, as **Exhibit VII**.

## **7 MATTERS TO BE RESOLVED AT THE EGSM**

The following matters shall be resolved at the EGSM:

- (i) approval of the merger into the Company of the spun-off assets of Nova Pontocom, assuming that the total and disproportional spin-off of Nova Pontocom is approved and completed;
- (ii) approval of the merger, into the Company, of Sé, with the subsequent absorption by the Company of Sé's total net equity;
- (iii) ratification of the appointment of Magalhães Andrade as the expert company responsible for the elaboration of the appraisal report of Nova Pontocom's spun-off assets, at the base date of September 30, 2015, and the net equity of Sé, at the base date of 30 September 2015, for purposes of the Transactions;
- (iv) approval of the Spin-Off Appraisal Report and Merger Appraisal Report;
- (v) if the abovementioned matters are approved, authorization and ratification of all the necessary acts practiced by the Company's managers for the effectiveness of the proposed resolutions, as approved by the Company's shareholders;
- (vi) amendment of Article 2 of the Company's By-laws, in order to include, in the Company's business purposes, the activity of "import of beverages, wines and vinegars"; and

(vii) approval, in view of the resolutions above, of the restatement of the Company's By-laws.

## **8 CONCLUSIONS**

Based on the abovementioned reasons and in accordance with the Brazilian Corporate Law, Company's By-laws and provisions set forth in this Proposal, the Company's management recommends the approval of the Transactions, as well as the approval of the proposed amendment to the Company's By-laws, at the EGSM, to be held on 22 December 2015, as well as the other related matters, as described above.

Finally, the management emphasizes that this Proposal, the Spin-Off Appraisal Report, the Merger Appraisal Report, the Spin-Off Protocol and the Merger Protocol are available at the Company's head office and respective websites of the Company ([www.gpari.com.br/](http://www.gpari.com.br/)), CVM ([www.cvm.gov.br](http://www.cvm.gov.br)) and BM&FBOVESPA ([www.bmfbovespa.com.br](http://www.bmfbovespa.com.br)).

São Paulo, 4 December 2015

**MANAGEMENT**  
**PARTICIPATION OF SHAREHOLDERS AT THE EGSM**

10

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The EGSM may be attended by the shareholders holding the shares issued by the Company, by themselves, their legal representatives or their attorneys-in-fact, provided that such shares are recorded on the shareholders' respective names with the financial institution responsible for the Company's bookkeeping services, as set forth in article 126 of the Brazilian Corporate Law.

The shareholders shall arrive before the time indicated in the EGSM call notice, bearing the updated certificate of the Company's shares, issued by the financial institution providing bookkeeping services and/or custody agent, as well as the following documents:

- (i) **individuals:** identification document with photo;
- (ii) **legal entities:** registered copy of the last restated by-laws or articles of association and corporate documentation granting the representation powers (minutes of the election of the executive officers and/or proxy), as well as identification document with photo of the legal representative(s); and
- (iii) **investment funds:** registered copy of the last restated regulation of the fund or articles of association of the fund's manager, in addition to the corporate documentation granting the representation powers (minutes of the election of the executive officers and/or proxy), as well as identification document with photo of the legal representative(s).

The shareholders and their legal representatives shall attend to the EGSM bearing their identity documents. In relation to the representation by proxy, the shareholders shall submit the mandate under applicable law to the Company's Corporate Legal Department, at Av. Brigadeiro Luis Antônio, 3142, city of São Paulo, State of São Paulo, through 18 December, at 6:00 p.m.

**EXHIBIT I-A TO THE MANAGEMENT PROPOSAL**

INFORMATION ON RELATED PARTIES  
(pursuant to article 8 of CVM Instruction No. 481)

**SPIN-OFF;**

**1 Name and qualification of the related parties:**

(i) **Via Varejo S.A.**, publicly-held company, headquartered in the city of São Caetano do Sul, State of São Paulo, at Rua João Pessoa, No. 83, Centro, CEP 09520-010, enrolled with CNPJ/MF under No. 33.041.260/0652-90 and with JUCESP under NIRE 35.300.394.925; and

(ii) **Nova Pontocom Comércio Eletrônico S.A.**, corporation headquartered in the city of São Paulo, State of São Paulo, at Rua Gomes de Carvalho, No. 1.609, 3rd to 7th floors, CEP 04547-006, enrolled with CNPJ/MF under No. 09.358.108/0001-25 and with JUCESP under NIRE 35.300.386.540.

**2 Nature of relationship between the related party and the Company:**

The Company is the shareholder of Via Varejo, holding interest of 43.4% in its total corporate capital.

The Company is also the shareholder of Nova Pontocom, holding interest of 53.2% of its total corporate capital.

**3 Number of shares and other securities issued by the Company and held by the interested related party, directly or indirectly:**

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Via Varejo and Nova Pontocom do not hold any share or security issued by the Company.

**4 Eventual outstanding balances, payables and receivables, between the parties:**

On 5 November 2015, Via Varejo and Nova Pontocom executed an Agreement Term, under which they ratified the absorption of accumulated losses of Nova Pontocom in the amount of eight million, nine hundred ninety thousand, three hundred and twenty-eight reais and sixty-one cents (R\$ 8,990,328.61) to "shareholders' account" of Nova Pontocom. On 30 September 2015, this account had a balance equivalent to sixty three million, nine hundred and thirty-seven thousand, four hundred and seventeen reais and thirty-nine cents (R\$ 63,937,417.39) related to loan agreements entered into by Nova Pontocom, as the debtor, and Via Varejo, as the creditor.

On the same date, the Company and Nova Pontocom executed an Agreement Term, under which they ratified the absorption of accumulated losses of Nova Pontocom in the amount of ten million, eight hundred ninety-five thousand, six hundred and forty-five reais and twenty-two cents (R\$ 10,895,645.22) to "shareholders' account" of Nova Pontocom. On 30 September 2015, this account had a balance equivalent to sixty-five million, two hundred forty-eight thousand, three hundred ninety-three reais and eighty-nine cents (R\$ 65,248,393.89) related to loan agreements entered into by Nova Pontocom, as the debtor, and the Company, as the creditor.

Since the minority shareholders of Nova Pontocom did not have, at the time of the absorption of losses, credits against Nova Pontocom as a result of loan agreements, such as the Company and Via Varejo, the absorption of losses was carried out only against the Company's and Via Varejo's shareholders.

The assets and liabilities related to the current agreements between Nova Pontocom and the Company, and between Nova Pontocom and Via Varejo, which are described in Exhibit 4.1.2(vii) to the Spin-Off Protocol, shall be liquidated by means of equity merger.

**5 Detailed description of the nature and extension of the interest under discussion:**

The Spin-Off proposal shall be submitted for resolution at the Company's extraordinary general shareholders' meeting, to be held on 22 December 2015.

**6 As described in item 2 of the Spin-Off Protocol, the Company is interested in the approval of the Spin-Off, considering that the Spin-Off shall result in benefits of equity and financial nature to the Company, and shall optimize the corporate structure of the group to which the Company is part, enabling more autonomy and flexibility to the Company in order to manage its investments, upon approval of the Spin-Off. Management recommendation about the proposal, emphasizing the advantages and disadvantages of the transaction to the Company:**

Management analyzed the Spin-Off according to the Company's interests and concluded that the Spin-Off meets the Company's and its shareholders' best interests.

The Spin-Off shall be carried out under the terms of the Spin-Off set forth in the Shareholders' Agreement of Nova Pontocom, entered into among the Company and all other shareholders of Nova Pontocom on 23 July 2014, in the context of the group's E-Commerce Business Combination, which is aligned with the strategy for optimization of the Company's corporate structure. In this regard, in the management's opinion, the Spin-Off benefits the Company's shareholders, regardless of type or class, because, once the capital shall not be increased as a result of the Spin-Off, the interest currently held by the shareholders in the Company's corporate capital shall not be diluted.

**7 In the event the matter subject to meeting's approval is an agreement subject to the rules set forth in article 245 of Law 6404, of 1976.**

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Not applicable.

**EXHIBIT I-B TO THE MANAGEMENT PROPOSAL**

INFORMATION ON RELATED PARTIES  
(pursuant to article 8 of CVM Instruction No. 481)

**MERGER**

**1 Name and qualification of the interested related party:**

(i) **Sé Supermercados Ltda.**, limited-liability company, headquartered in the city of São Paulo, State of São Paulo, at Av. Brigadeiro Luís Antônio, 3172, Jardim Paulista, CEP 01402-002, enrolled with CNPJ/MF under No. 01.545.828/0001-98 and with JUCESP under NIRE 35.215.818.694.

**2 Nature of the relationship between the interested related party and the Company:**

The Company holds 100% of the shares representing Sé's corporate capital.

**3 Number of shares and other securities issued by the Company and held by the interested related party, directly or indirectly:**

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Sé does not hold any share or other security issued by the Company.

**4        Eventual outstanding balances, payables and receivables, between the parties:**

As of the date hereof, there are no outstanding balances, payables or receivables between the Company and Sé.

**5 Detailed description of the nature and extension of the interest under discussion:**

The Merger proposal shall be submitted for approval at the Company's extraordinary general shareholders' meeting, to be held on 22 December 2015.

As described in item 2 of the Merger Protocol, the Company is interested in the approval of the Merger, considering that the Company shall be able to optimize its current structure, as well as reduce the administrative costs, benefiting from the synergy generated.

**6 Management recommendation about the proposal, emphasizing the advantages and disadvantages of the transaction to the Company:**

Management analyzed the Merger according to the Company's interests and concluded that the Merger meets the Company's and its shareholders' best interests.

Sé's Merger shall result in equity, legal and financial benefits, including:

- (i) the optimization of the group's corporate structure to which the Company belongs;  
and
- (ii) the administrative cost reduction and compliance with accessory obligations, benefiting from the synergy generated.

In this regard, in the management's opinion, the Merger benefits the Company's shareholders, regardless of type or class, because, once the capital shall not be increased as a result of the Merger, the interest currently held by the shareholders in the Company's corporate capital shall not be diluted.

**7 In the event the matter subject to meeting's approval is an agreement subject to the rules set forth in article 245 of Law 6404, of 1976.**

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Not applicable.

**EXHIBIT II-A TO THE MANAGEMENT PROPOSAL**

INFORMATION ON THE REORGANIZATION  
(pursuant to exhibit 20-A of CVM Instruction No. 481)

**SPIN-OFF**

As set forth in article 20-A of CVM Instruction 481, the Company provides the following information to the extraordinary general shareholders' meeting, to be held on 22 December 2015, at 11 am, in its head office:

**1 Protocol and justification of the transaction, under the terms of articles 224 and 225 of Law 6404, of 1976.**

The Spin-Off Protocol is described in **Exhibit II-A(i)** to this Proposal.

**2 Other agreements or pre-agreements governing the exercise of the voting rights or transfer of shares issued by the surviving companies or companies resulting from the transaction, filed at the Company's head office or to which the Company's controller is a party.**

Both the Company and Via Varejo are parties to Shareholders' Agreements, which are duly filed at the companies' head office, as well as available at the respective websites of the companies ([www.gpari.com.br/](http://www.gpari.com.br/) and [ri.viavarejo.com.br/](http://ri.viavarejo.com.br/)), CVM ([www.cvm.gov.br](http://www.cvm.gov.br)) and BM&FBOVESPA ([www.bmfbovespa.com.br](http://www.bmfbovespa.com.br)).

**3 Description of the transaction, including:**

**(a) Terms and Conditions**

The Spin-Off shall comprise the total and disproportional Spin-Off of Nova Pontocom and the transfer and merger of its Spun-Off Assets to the Acquiring Companies, proportionally to the respective interest in the Nova Pontocom's corporate capital.

Nova Pontocom's net equity, to be transferred to and merged into the Acquiring Companies, is composed of the assets and liabilities listed in Exhibit 4 to the Spin-Off Appraisal Report ("**Spun-Off Assets**").

According to the Spin-Off Appraisal Report, the total book value of the Spun-Off Assets, to be merged into the Acquiring Companies, is equivalent to R\$ 10,000.00 (ten thousand reais), as at 30 September 2015, out of which R\$ 5,320.34 (five thousand, three hundred and twenty reais and thirty-four cents) shall be attributed to the Company.

The Spin-Off shall result in the extinction of Nova Pontocom. The Acquiring Companies' corporate capital shall not be increased, as, by virtue of the merger of the Spun-Off Assets, the investment held by each of the Acquiring Companies in Nova Pontocom shall be cancelled and replaced for the assets and liabilities comprising the Spun-Off Assets attributed to each of the Acquiring Companies.

The balances of assets and liabilities relating to the current agreements between Nova Pontocom and the Company, and between Nova Pontocom and Via Varejo shall be liquidated by means of equity merger.

**(b) Indemnity obligations: (i) the managers of any of the companies involved in the transaction; (ii) should the transaction is not concluded.**

None.

**(c) Comparative table of rights, advantages and restrictions of the shares of the companies involved in or resulting from the transaction, before and after the transaction.**

If the Spin-Off is implemented, the shares issued by Nova Pontocom shall be cancelled and the common and preferred shares issued by the Company, Via Varejo and the quotas of QE Participações and Camberra Participações shall maintain the same rights and advantages prior to the Spin-Off.

**(d) Eventual approval by debentureholders or other creditors.**

None.

**(e) Assets and liabilities comprising the shareholders' equity, in the event of Spin-Off.**

The spun-off portions of Nova Pontocom to be transferred to each one of the Acquiring Companies shall be composed of the following assets and liabilities, as described in the Spin-Off Protocol:

	<b>Spun-Off Company</b>		<b>Acquiring Companies</b>		
	<b>Nova Pontocom</b>	<b>Company</b>	<b>Via Varejo</b>	<b>QE Participações</b>	<b>Camberra Participações</b>
<b>Assets</b>	230,816,512.82	155,935,673.39	74,880.549.74	272.26	17.42
<b>Liabilities</b>	230,806,512.82	155,930,353.05	74,876.159.77	0.00	0.00
<b>Net Equity</b>	10,000.00	5,320.34	4,389.97	272.26	17.42

**(f) Intention of the resulting companies to obtain the registry as issuer of securities.**

The Company and Via Varejo already have the registry as issuer of securities with the CVM. QE Participações and Camberra Participações, in turn, do not intend to obtain such registry.

**4 Corporate business plans, mainly in relation to specific corporate events to be promoted.**

The Spin-Off will not modify the conduction of the corporate business of the Company, considering that the Spin-Off represents a simple replacement of the Company's interest in Nova Pontocom for the assets and liabilities comprising the respective Spun-Off Assets to be merged into the Company.

**5 Analysis of the following aspects of the transaction:**

**(a) Description of the main expected benefits, including: (i) synergies; (ii) tax benefits; and (iii) strategic advantages.**

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The Spin-Off shall be carried out under the terms of the Spin-Off set forth in the Shareholders' Agreement of Nova Pontocom, entered into among the Company and all other shareholders of Nova Pontocom on 23 July 2014, in the context of the group's E-Commerce Business Combination<sup>2</sup>, which is aligned with the strategy for optimization of the Company's corporate structure.

**(b) Costs**

According to the Acquiring Companies' management, the costs of the Spin-Off shall total approximately R\$ 300,000.00 (three hundred thousand reais), including the expenses with advertising, auditors, appraisers, legal counsel and other professionals engaged to advise the reorganization.

**(c) Risk Factors**

Considering that Nova Pontocom is a non-operational holding, there shall be no operational, commercial, financial, contractual or technological risks. The Company's management may, however, not be able to successfully implement the expected optimization of the corporate structure as a result of the Spin-Off.

**(d) In the event of a related-party transaction, eventual alternatives that could have been adopted to reach the same purposes, indicating the reasons for not considering these alternatives.**

Not applicable. The Spin-Off shall be conducted in accordance with the Shareholders' Agreement of Nova Pontocom, entered into by and among the Company and all the other shareholders of Nova Pontocom, on 23 July 2014, which execution was approved in accordance with the corporate governance rules in force at the time. At the time and recently, the Company conducted general studies on the alternatives that could have been adopted alternatively to the Spin-Off, analyzing and comparing all the options, concluding that the Spin-Off, as it has been presented in this Proposal, is the option that has been shown to be more efficient and compatible with the purposes and expectation of the Company.

**(e) Exchange ratio.**

Not applicable, bearing in mind there will be no capital increase of the Acquiring Companies because of the Spin-Off.

**(f) In the transactions involving controlling, controlled companies or companies under common control:**

**(i) Exchange ratio of shares calculated according to article 264 of Law 6404 of 1976.**

Not applicable. See item 5(e) above.

**(ii) Detailed description of the process of negotiation of the exchange ratio and other terms and conditions of the transaction.**

Not applicable. See item 5(e) above.

**(iii) In case the transaction has been preceded, in the last twelve (12) months, by a purchase of control or purchase of block control interest: (a) Comparative analysis of the exchange ratio and of the price paid in the purchase of control; and (b) Reasons that justify any potential differences of appraisal in the different transactions.**

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2 Subject to the material facts disclosed on May 6, 2014, June 4, 2014 and July 24, 2014.

Not applicable. See item 5(e) above.

**(iv) Justification of why the exchange ratio is commutative, with the description of the procedures and criteria adopted to guarantee the commutativity of the transaction or, in case the exchange ratio is not commutative, details of the payment or equivalent measures adopted to guarantee the adequate compensation.**

Not applicable. See item 5(e) above.

**6 Copies of the minutes of all the meetings of the board of directors, audit committee and special committees in which the transaction has been discussed, including any dissenting votes.**

The minutes of the meetings of the board of directors and the minutes of the meeting of the audit committee of the Company, which discussed and/or approved the terms of the Spin-Off, are attached in **Exhibit II-(iii)** to this Proposal.

Said minutes have also been made available at the Company's head office and the respective websites of the Company ([www.gpari.com.br/](http://www.gpari.com.br/)), CVM ([www.cvm.gov.br](http://www.cvm.gov.br)) and BM&FBOVESPA ([www.bmfbovespa.com.br](http://www.bmfbovespa.com.br)).

**7 Copies of studies, presentations, reports, opinions, views or reports on appraisal of those engaged in the transaction made available to the controlling shareholder in any stage of the transaction.**

The Spin-Off Appraisal Report is contained in **Exhibit II-A(ii)** to this Proposal.

**7.1 Identification of any potential conflicts of interest between the financial institutions, companies and professionals that have prepared the documents referred to in item 7 and the companies engaged in the transaction.**

None.

**8 Projects of by-laws or related amendments of the companies resulting from the transaction.**

The by-laws and articles of association, as applicable, of the Company, of Via Varejo, of QE Participações and of Camberra Participações shall not be amended.

**9 Financial statements used for purposes of the transaction, according to the specific standard.**

By virtue of the provisions set forth in article 10 of CVM Instruction 565, of 15 June 2015 (“**CVM Instruction 565**”), this item shall not apply to the Company, bearing in mind there shall be no capital increase, exchange ratio between the shares of Nova Pontocom and the shares and, as the case may be, the quotas of the Acquiring Companies or dilution of the shareholders and partners of the Acquiring Companies.

In relation to Nova Pontocom, the Spin-Off will be carried out considering the equity book value of the Spun-Off Assets, as reflected in the balance sheet of the Nova Pontocom as at 30 September 2015, which is contained in Exhibit 1 to the Spin-Off Appraisal Report, comprising of **Exhibit II-A(ii)** to this Proposal.

**10** *Pro forma* financial statements prepared for the purposes of the transaction, according to the specific standard.

Not applicable, due to the provisions set forth in article 10 of CVM Instruction 565, bearing in mind there shall be no dilution of the shareholders of the Company because of the Spin-Off.

**11 Document containing information on the companies directly engaged other than publicly-held companies.**

Not applicable, given the fact that QE Participações and Camberra Participações do not have assets or liabilities of any nature, except for their equity participation in the capital stock of Nova Pontocom.

**12 Description of the capital structure and control after the transaction, according to item 15 of the form.**

Not applicable, since there shall be no change in the capital structure and control of the Company after the Spin-Off.

**13 Number, class, kind and type of securities of each company engaged in the transaction held by any other companies engaged in the transaction, or by persons linked to such companies, as defined by the rules governing the public offering for purchase of shares.**

The securities held by the companies engaged in the Spin-Off and by persons linked to them are:

- (i) **Company in Via Varejo:** 410,352,691 common shares and 149,168,394 preferred shares;
- (ii) **Company in Nova Pontocom:** 32,290,656 common shares;
- (iii) **Via Varejo in Nova Pontocom:** 26,643,996 common shares;
- (iv) **QE Participações in Nova Pontocom:** 1,652,465 common shares;
- (v) **Camberra Participações in Nova Pontocom:** 105,721 common shares;
- (vi) **Wilkes Participações S.A. (Company's controlling shareholder) in the Company:** 94,019,178 common shares;

(vii) **German Pasquale Quiroga Vilardo in Via Varejo:** 65,467 units (each unit being comprised of 2 preferred shares and 1 common share);

(viii) **German Pasquale Quiroga Vilardo in the Company:** 78 preferred shares; and

(ix) **Marcel Baldi Jacob in the Company:** 26 preferred shares.

In relation to the QE Participações and to the Camberra Participações, the shareholding structure is as follows:

**QE Participações**

<b>Partner</b>	<b>Number of quotas</b>
German Pasquale Quiroga Vilardo	14,821,671

Eduardo Khair Chalita

14,821,671

**Total**

**29,643,342**

**Camberra Participações**

<b>Partner</b>	<b>Number of quotas</b>
Cintia Mendonça	18,586
Demetrius Ferreira da Silva	10,617

Deni Yuko Higa

86,306

Gabriel Chagas Cordeiro

9,293

Hilda Luzia Kozlowski

53,108

José Ricardo Ficher Tancredi

37,172

Julia Barreto Rueff

18,586

Lilian Tiemi Takada

37,172

Lucas Correia dos Santos

34,512

Luciano de Freitas Manolio

37,172

Marcel Baldi Jacob

26,544

Marcelo Luiz Pagotto Recco

37,172

Marcelo Machado Estevão

17,261

Marcia Teixeira

18,586

Marcio Vianna de Melo

37,172

Marco Antonio Andre Provetti

55,758

Regis Borghi

185,870

Valeria de Almeida Valentim

37,172

Vicente Rodrigues de Rezende Filho

185,870

Werner Germano Dopheide

63,726

**Total**

**1,007,655**



**14 Exposure of any of the companies engaged in the transaction, or of people related to them, as defined by the rules that address the public offering for purchase of shares, in derivatives referenced in securities issued by the other companies engaged in the transaction.**

Not applicable.

**15 Report covering all transactions conducted in the last 6 (six) months by the persons named below with securities issued by the companies engaged in the transaction:**

The transactions performed in the last six (6) months by the companies involved in the Spin-Off and related parties are described below:

(i) **by the minority shareholders of Nova Pontocom with shares of Nova Pontocom:**

October	Payment in kind of the shares issued by Nova Pontocom by the shareholders of QE Participações to the Company.	Common Shares	559,770	0.92%	BRL 63.52755238
October	Transfer of shares of Nova Pontocom held in treasury to some of Camberra Participações' partners, under the stock option plan.	Common Shares	66,302	0.11%	BRL 8.57
October	Restitution of the shares fiduciary held by some of Camberra Participações' partners to QE Participações' partners.	Common Shares	10	0.00%	Free

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3 Average price per share, per type of transaction.

(ii) **by the Company with shares of Nova Pontocom:**

October	Receipt of shares issued by Nova Pontocom by QE Participações' partners (payment in kind).	Common Shares	559,770	0.92%	BRL 63.52755238
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(iii) **by the Board of Officers of the Company with shares of the Company:**

April	Sale	Preferred Shares	192	0.00%	BRL 101.88
May	Stock Option Plan	Preferred Shares	10,513	0.01%	BRL 29.77
June	Sale	Preferred Shares	17,022	0.00%	R\$ 82.62
June	Acquisition	Preferred Shares	16,762	0.01%	R\$ 82.75
July	Sale	Preferred Shares	285	0.00%	BRL 69.61
August	Sale	Preferred Shares	310	0.00%	BRL 64.26

(iv) **by the controlling shareholders of the Company with shares of the Company:**

August	Transfer of shares from Casino, Guichard-Perrachon S.A. to Segisor S.A.	Common Shares	5,600,051	5.62%	BRL 100.00
August	Transfer of shares from Segisor S.A. to Almacenes Exito S.A.	Common Share	1	0.00%	BRL 100.00
August			13,460	0.01%	BRL 69.55

	Transfer of shares from Segisor S.A. to Geant International B.V.	Preferred Shares			
August	Transfer of ADRs from Segisor S.A. to Geant International B.V.	American Depositary Receipts (ADR)	8,907,123	5.37%	USD 20.27
August	Transfer of shares from Sudaco Participações Ltda. to Wilkes Participações S.A.	Common Shares	28,619,178	28.71%	N/A <sup>4</sup>
August	Transfer of shares from Sudaco Participações Ltda. to Wilkes Participações S.A.	Common Shares	28,619,178	28.71%	N/A <sup>5</sup>
August	Transfer of shares from Pincher LLC's to Geant International B.V.	Preferred Shares	115,235	0.07%	BRL 69.55

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4 The transaction resulted from the merger of Sudaco Participações Ltda. into Wilkes Participações S.A. on 17 August 2015.

5 The transaction resulted from the merger of Sudaco Participações Ltda. into Wilkes Participações S.A. on 17 August 2015.

(v) **by the Board of Officers of Via Varejo with shares of Via Varejo:**

		Units (1	5,000 units	Total: 0.00%	
		common	(5,000 common	Common	
September	Purchase	share and 2	shares and	Shares: 0.00%	BRL 4.70
		preferred	10,000 preferred	Preferred	
		shares)	shares)	Shares: 0.00%	

**16 Document, whereby the Special Independent Committee submitted its recommendations to the Board of Directors, in case the transaction has been negotiated according to the Opinion on CVM Guideline 35, of 2008.**

Not applicable.

**EXHIBIT II-B TO THE MANAGEMENT PROPOSAL**

INFORMATION ON THE REORGANIZATION  
(pursuant to exhibit 20-A of CVM Instruction No. 481)

**MERGER**

As set forth in article 20-A of CVM Instruction 481, the Company provides the following information to the extraordinary general shareholders' meeting, to be held on 22 December 2015, at 11 am, in its head office:

**1 Protocol and justification of the transaction, under the terms of articles 224 and 225 of Law 6404, of 1976.**

The Merger Protocol is described in **Exhibit II-B(i)** to this Proposal.

**2 Other agreements or pre-agreements governing the exercise of the voting rights or transfer of shares issued by the surviving companies or companies resulting from the transaction, filed at the Company's head office or to which the Company's controller is a party.**

The Company is a party to the Shareholders' Agreement, which is duly filed at the Company's head office, as well as available at the respective websites of the Company ([www.gpari.com.br/](http://www.gpari.com.br/)), CVM ([www.cvm.gov.br](http://www.cvm.gov.br)) and BM&FBOVESPA ([www.bmfbovespa.com.br](http://www.bmfbovespa.com.br)).

Sé does not have any agreement or pre-agreement governing its right to vote or the transfer of shares.

**3 Description of the transaction, including:**

**(a) Terms and Conditions**

The Merger consists in the absorption of Sé, company whose shares are 100% held by the Company itself, with consequent termination of Sé and succession in all of its rights and obligations by the Company. Consequently, all the elements of the assets and liabilities of Sé shall be absorbed by the Company.

The Merger shall not result in increase of the corporate capital of the Company, since the net assets of Sé shall be entirely absorbed by the Company in replacement for the Sé's shares, of which the Company holds, shall be cancelled upon the Merger. The interest of the Company in Sé shall be replaced, on the balance sheet of the Company, for the assets and liabilities listed on Exhibit 1 to the Merger Appraisal Report, which comprise the Sé's net equity, at the respective book value. The corporate capital of the Company shall remain unchanged, reason why it is not necessary to establish any exchange ratio.

According to the Merger Appraisal Report, the total book value of Sé's net equity equals to R\$ 2,713,030,406.64 (two billion, seven hundred and thirteen million, thirty thousand, four hundred and six reais and sixty four cents), as at September 30, 2015.

**(b) Indemnity obligations: (i) the managers of any of the companies involved in the transaction; (ii) should the transaction is not concluded.**

None.

**(c) Comparative table of rights, advantages and restrictions of the shares of the companies involved in or resulting from the transaction, before and after the transaction.**

If the Merger is approved, the common and preferred shares issued by the Company shall maintain the same rights and advantages prior to the Merger.

**(d) Eventual approval by debentureholders or other creditors.**

None.

**(e) Assets and liabilities comprising the shareholders' equity, in the event of Spin-Off.**

Not applicable.

**(f) Interest of the resulting companies to obtain the registry as issuer of securities.**

The Company already has the registry as issuer of securities with the CVM.

**4 Corporate business plans, mainly in relation to specific corporate events to be promoted.**

The Merger shall not change the performance of the Company's corporate businesses, as the Merger is a mere replacement of the Company's interest in Sé for the assets and liabilities comprising the absorbed net equity. The Company, therefore shall continue, after the Merger, to develop the activities comprising its corporate purpose.

**5 Analysis of the following aspects of the transaction:**

**(a) Description of the main expected benefits, including: (i) synergies; (ii) tax benefits; and (iii) strategic advantages.**

Sé's Merger shall result in equity, legal and financial benefits, including:

- (i) the optimization of the group's corporate structure to which the Company belongs; and
- (ii) the administrative cost reduction and compliance with accessory obligations, benefiting from the synergy generated.

**(b) Costs.**

According to the Company's management, the costs of the Merger shall total approximately R\$ 300,000.00 (three hundred thousand reais), including the expenses with advertising, auditors, appraisers, legal counsel and other professionals engaged to advise the reorganization.

**(c) Risk Factors**

The aim of the Merger, is to integrate the business of the Company and of Sé and use the synergies obtained with such integration. This integration process can result in operating, business, financial, contractual and technological difficulties, which can prevent the expected synergies from being used, or result in unforeseen losses or expenses. The Company's management may, therefore, not be able to successfully implement the intended integration, or obtain the expected returns on the investments related to the Merger, which may adversely affect the Company.

**(d) In case of transaction with related party, any alternatives that could have been used to achieve the same goals, stating the reasons why those alternatives have been discarded.**

Not applicable. The Company conducted general studies on the alternatives that could have been adopted alternatively to the Merger, analyzing and comparing all the transactions. At the end of such process, the Company decided to carry out the Merger, as it has been presented in this Proposal, since it has been shown to be more efficient and compatible with the purposes and expectation of the Company.

**(e) Exchange ratio.**

Not applicable, bearing in mind there shall be no capital increase of the Company as a result of the Merger.

**(f) In the transactions involving controlling, controlled companies, or companies under common control:**

**(i) Exchange ratio of shares calculated according to article 264 of the Law 6404, of 1976.**

Not applicable. See item 5(e) above.

**(ii) Detailed description of the negotiation process of the exchange ratio and other terms and conditions of the transaction.**

Not applicable. See item 5(e) above.

**(iii) In case the transaction has been preceded, in the last twelve (12) months, by a purchase of control or purchase of block control interest: (a) Comparative analysis of the exchange ratio and of the price paid in the purchase of control; and (b) Reasons that justify any potential differences of appraisal in the different transactions.**

Not applicable. See item 5(e) above.

**(iv) Justification of why the exchange ratio is commutative, with the description of the procedures and criteria adopted to guarantee the commutativity of the transaction or, in case the exchange ratio is not commutative, details of the payment or equivalent measures adopted to guarantee the adequate compensation.**

Not applicable. See item 5(e) above.

**6 Copies of the minutes of all the meetings of the board of directors, audit committee and special committee on which the transaction has been discussed, including any dissident votes.**

The minutes of the meetings of the board of directors and of the audit committees approving the terms of the Merger are contained in **Exhibit II-(iii)** to this Proposal.

Said minutes have also been made available at the principal place of business of the Company and on the respective electronic pages of the Company ([www.gpari.com.br/](http://www.gpari.com.br/)), of CVM ([www.cvm.gov.br](http://www.cvm.gov.br)) and of BM&FBOVESPA ([www.bmfbovespa.com.br](http://www.bmfbovespa.com.br)).

**7 Copies of studies, presentations, reports, opinions, or appraisal reports on those engaged in the transaction available to the controlling shareholder in any stage of the transaction.**

The Merger Appraisal Report is contained in **Exhibit II-B(ii)** to this Proposal.

**7.1 Identification of any potential conflicts of interest between the financial institutions, companies and the professionals that have prepared the documents referred to in item 7 and the companies engaged in the transaction.**

None.

**8 Projects of articles of incorporation or statutory amendments of the companies resulting from the transaction.**

The articles of incorporation of the Company will not be amended.

**9 Financial statements used for the purposes of the transaction, according to the specific standard.**

By virtue of the provisions set forth in article 10 of CVM Instruction No. 565, this item shall not apply to the Company, bearing in mind there will be no capital increase, exchange ratio between the ownership units of Sé and shares of the Company or dilution of the shareholders of the Company.

The Merger will be carried out considering the value of the net equity of Sé, as reflected in its balance sheet on the base date of September 30, 2015, which is contained in the Exhibit 1 to the Merger Appraisal Report, comprising the **Exhibit II-B(ii)** to this Proposal.

**10** *Pro forma* financial statements prepared for purposes of the transaction, according to the specific standard.

Not applicable, by virtue of the provision set forth in article 10 of CVM Instruction No. 565, bearing in mind that there will be no dilution of the Company's shareholders resulting from the Merger.

**11 Document containing information on the directly engaged companies other than publicly traded companies.**

The last amendment to the articles of association of Sé is attached in the **Exhibit II-B(iv)** to this Proposal. Considering that Sé's quotas are fully held by the Company, all information required under items (a) to (d) of this item are already reflected in the reference form of the Company.

**12 Description of the capital structure and control after the transaction, according to item 15 of the form.**



Not applicable, since there will be no change in the capital structure and control of the Company after the Merger.

**13 Number, class, kind and type of the securities of each company engaged in the transaction held by any other companies engaged in the transaction, or by persons related to such companies, as defined by the rules addressing the public offering for purchase of shares.**

The Company holds three hundred and sixty-six million, two hundred and sixty-seven thousand and thirty-four (366,267,034) quotas in Sé. Sé does not hold any shares issued by the Company.

**14 Exposure of any of the companies engaged in the transaction, or of persons related to them, as defined by the rules that address the public offering for purchase of shares, in derivatives referenced in securities issued by the other companies engaged in the transaction.**

Not applicable.

**15 Report covering all transactions carried out in the past six (06) months by the persons named below with securities issued by the companies involved in the transaction:**

The transactions performed in the last six (6) months by the companies involved in the Spin-Off and related parties are described below:

(i) **by the Board of Officers of the Company with shares of the Company:**

April	Sale	Preferred Shares	192	0.00%	BRL 101.88
May	Stock Option Plan	Preferred Shares	10,513	0.01%	BRL 29.77
June	Sale	Preferred Shares	17,022	0.00%	R\$ 82.62
June	Acquisition	Preferred Shares	16,762	0.01%	R\$ 82.75
July	Sale	Preferred Shares	285	0.00%	BRL 69.61
August	Sale	Preferred Shares	310	0.00%	BRL 64.26

(ii) **by the controlling shareholders of the Company with shares of the Company:**

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August	Transfer of shares from Casino, Guichard-Perrachon S.A. to Segisor S.A.	Common Shares	5,600,051	5.62%	BRL 100.00
August	Transfer of shares from Segisor S.A. to Almacenes Exito S.A.	Common Share	1	0.00%	BRL 100.00
August	Transfer of shares from Segisor S.A. to Geant International B.V.	Preferred Shares	13,460	0.01%	BRL 69.55
August	Transfer of ADRs from Segisor S.A. to Geant International B.V.	American Depositary Receipts (ADR)	8,907,123	5.37%	USD 20.27
August	Transfer of shares from Sudaco Participações Ltda. to Wilkes Participações S.A.	Common Shares	28,619,178	28.71%	N/A <sup>6</sup>
August	Transfer of shares from Sudaco Participações Ltda. to Wilkes Participações S.A.	Common Shares	28,619,178	28.71%	N/A <sup>7</sup>
August	Transfer of shares from Pincher LLC's to Geant International B.V.	Preferred Shares	115,235	0.07%	BRL 69.55

**16 Document whereby the Special Independent Committee submitted its recommendations to the Board of Directors, in case the transaction has been carried out according to the Opinion on CVM Guideline N° 35, of 2008.**

Not applicable.

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6 The transaction resulted from the merger of Sudaco Participações Ltda. into Wilkes Participações S.A. on 17 August 2015.

7 The transaction resulted from the merger of Sudaco Participações Ltda. into Wilkes Participações S.A. on 17 August 2015.

**EXHIBIT II-A(i) TO THE MANAGEMENT PROPOSAL**

TOTAL SPIN-OFF PROTOCOL AND JUSTIFICATION OF  
NOVA PONTOCOM COMÉRCIO ELETRÔNICO S.A.

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NOVA PONTOCOM COMÉRCIO ELETRÔNICO S.A.,  
VIA VAREJO S.A.,  
COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO,

QE PARTICIPAÇÕES LTDA.

and

CAMBERRA PARTICIPAÇÕES LTDA.

**PROTOCOL AND JUSTIFICATION OF TOTAL SPIN-OFF OF NOVA PONTOCOM COMÉRCIO  
ELETRÔNICO S.A.**

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**PROTOCOL AND JUSTIFICATION OF TOTAL SPIN-OFF OF NOVA PONTOCOM COMÉRCIO  
ELETRÔNICO S.A.**

By this private instrument:

(1) **NOVA PONTOCOM COMÉRCIO ELETRÔNICO S.A.**, a closed corporation (*sociedade por ações fechada*) headquartered in the city of São Paulo, State of São Paulo, at Rua Gomes de Carvalho, nº 1.609, 3º ao 7º andares, zip code 04547-006, enrolled with the Brazilian Corporate Taxpayers' Registry of the Ministry of Finance ("**CNPJ/MF**") under No. 09.358.108/0001-25, and with the Board of Trade of the State of São Paulo ("**JUCESP**") under NIRE 35.300.386.540, hereby represented pursuant to its By-laws ("**Nova Pontocom**");

(2) **VIA VAREJO S.A.**, a publicly-held corporation (*sociedade por ações aberta*) headquartered in the city of São Caetano do Sul, State of São Paulo, at Rua João Pessoa, nº 83, Centro, zip code 09520-010, enrolled with CNPJ/MF under No. 33.041.260/0652-90 and with JUCESP under NIRE 35.300.394.925, hereby represented pursuant to its By-laws ("**Via Varejo**");

(3) **COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO**, a publicly-held corporation (*sociedade por ações aberta*) headquartered in the city of São Paulo, State of São Paulo, at Av. Brigadeiro Luis Antônio, nº 3.142, zip code 01402-901, enrolled with CNPJ/MF under No. 47.508.411/0001-56 and with JUCESP under NIRE 35.300.089.901, hereby represented pursuant to its By-laws ("**CBD**");

(4) **QE PARTICIPAÇÕES LTDA.**, a limited liability company under incorporation, headquartered in the city of São Paulo, State of São Paulo, at Rua das Açucenas, nº 206, Cidade Jardim, CEP 05673-040 (parte), hereby represented pursuant to its Articles of Association ("**QE Participações**"); and

(5) **CAMBERRA PARTICIPAÇÕES LTDA.**, a limited liability company under incorporation, headquartered in the city of São Paulo, State of São Paulo, hereby represented pursuant to its Articles of Association ("**Camberra Participações**" and jointly referred to with Nova Pontocom, Via Varejo, CBD and QE Participações as "**Parties**" and, individually, as "**Party**").

**THE PARTIES DECIDE**, in compliance with the provisions set forth in Articles 224, 225, 227 and 229 of Law No. 6,404, dated December 15, 1976, as amended ("**Brazilian Corporate Law**"), to enter into this Protocol and Justification of Total Spin-off ("**Protocol**"), which shall regulate the terms and conditions applicable to the total spin-off of Nova Pontocom followed by absorption of the respective spin-off assets, as indicated below, by Via Varejo, CBD, QE Participações and Camberra Participações ("**Receiving Companies**" and "**Spin-off**", respectively), subject to the approvals referred to in Clause 4.2 below.

## 1 Purpose

The purpose of the Protocol is to establish the basis of the non-proportional Spin-off, upon subsequent transfer to each Receiving Companies of a portion of assets of Nova Pontocom proportionally to their interests in the net equity of Nova Pontocom, as provided for in Article 229, paragraph 3 and Article 229, paragraph 5, part two, of the Brazilian Corporate Law and pursuant to the spin-off provided for in the Shareholders' Agreement of Nova Pontocom, entered into on 23 July, 2014 among all shareholders of Nova Pontocom, provided that the spin-off assets allocated to the merger will be transferred to the Receiving Companies, which will be resolved on by the board of directors and the shareholders of Nova Pontocom, the shareholders of Via Varejo and CBD and the shareholders of QE Participações and Camberra Participações.

**2 Justification and interest of the Parties to perform the Spin-off**

Management of Nova Pontocom and of the Receiving Companies understand that, if approved, the Spin-off will result in the transfer to, and the consequent absorption by, the Receiving Companies, of all assets and liabilities of Nova Pontocom, which will result in capital and financial nature benefits to the Parties and will optimize the corporate structure of the group to which they belong by enabling each of the Parties to have greater autonomy and flexibility to manage their investments.

### **3 Appraisal of Spin-off Assets**

**3.1 Spin-off Assets.** As a result of the Spin-off, the total net equity of Nova Pontocom, comprised by the assets and liabilities described in the Report (as defined below), will be transferred to and received by the Receiving Companies, provided that:

- (i) the assets and liabilities of Via Varejo, equivalent to 43.900% of total amount of Spin-off Assets, are listed in Exhibit 4 attached to the Report (“**Via Varejo Spin-off Assets**”);
- (ii) the assets and liabilities da CBD, equivalent to 53.203% of total amount of Spin-off Assets, are listed in Exhibit 4 attached to the Report (“**CBD Spin-off Assets**”);
- (iii) the assets and liabilities da QE Participações, equivalent to 2.723% of total amount of Spin-off Assets, are listed in Exhibit 4 attached to the Report (“**QE Participações Spin-off Assets**”); and
- (iv) the assets and liabilities da Camberra Participações, equivalent to 0.174% of total amount of Spin-off Assets, are listed in Exhibit 4 attached to the Report (“**Camberra Participações Spin-off Assets**” and, jointly with QE Participações Spin-off Assets, Via Varejo Spin-off Assets and CBD Spin-off Assets, the “**Spin-off Assets**”).

**3.2 Appraisal.** The Parties agree that, pursuant to the appraisal report provided for in **Exhibit 3.2** attached hereto (“**Report**”), the book value of each of the Spin-off Assets was appraised by **MAGALHÃES ANDRADE S/S AUDITORES INDEPENDENTES**, enrolled with the Regional Accounting Council of the State of São Paulo under No. 2SP000233/O-3, and with CNPJ/MF under No. 62.657.242/0001-00, headquartered in the city of São Paulo, State of São Paulo, at Av. Brigadeiro Faria Lima, nº 1.893, 6º andar, Jardim Paulistano (“**Appraisal Firm**”), as of the date of reference on September 30, 2015, based on the balance sheet prepared by the management of Nova Pontocom as of the same date and for this specific purpose. Pursuant to the Report, the total book value of Spin-off Assets, to be absorbed by the Receiving Companies, is equivalent to R\$ 10,000.00 (ten thousand reais), of which (i) R\$ 4,389.97 (four thousand, three hundred and eighty nine and ninety seven cents) is equivalent to Via Varejo Spin-off Assets; (ii) R\$ 5,320.34 (five thousand, three hundred and twenty reais and thirty four cents) is equivalent to CBD Spin-off Assets; (iii) R\$ 272.27 (two hundred and seventy two reais and twenty seven cents) is equivalent to QE Participações Spin-off Assets; and (iv) R\$ 17.42 (seventeen reais and forty two cents) is equivalent to Camberra Participações Spin-off Assets.

**3.3 Spin-off Assets.**

- (i) Via Varejo Spin-off Assets will be received by Via Varejo in replacement of 26,643,996 (twenty six million, six hundred and forty three Thousand, nine hundred and ninety six) shares issued by Nova Pontocom which are held by Via Varejo;
- (ii) CBD Spin-off Assets will be absorbed by CBD in replacement of 32,290,656 (thirty two million, two hundred and ninety thousand, six hundred and fifty six) shares issued by Nova Pontocom which are by CBD;
- (iii) QE Participações Spin-off Assets will be absorbed by QE Participações in replacement of 1,652,465 (one million, six hundred and fifty two Thousand, four hundred and sixty five) shares issued by Nova Pontocom which are held by QE Participações; and
- (iv) Camberra Participações Spin-off Assets will be absorbed by Camberra Participações in replacement of 105,721 (one hundred and five thousand, seven hundred and twenty one) shares issued by Nova Pontocom which are held by Camberra Participações.

**3.4 Equity variations.** If the proposed Spin-off is approved, the Receiving Companies shall receive and directly record in their respective financial statement potential equity variations resulting from the Spin-off Assets between base date 30 September 2015 and the date of receipt of Spin-off Assets by the Receiving Companies, if any, proportionally to their interests held in the corporate capital of Nova Pontocom.

**3.5 Conflict.** The Appraisal Firm represented not to be directly or indirectly interested in the Parties, or also, in the Spin-off itself, in a way that could prevent or affect the preparation of the Report requested to it, for purposes of the Spin-off.

#### **4 General Spin-off Aspects**

**16.1** If the proposed Spin-off is approved, the Spin-off will be implemented pursuant to the following conditions:

**4.1 Corporate Capital.**

**4.1.1 Current composition.**

(i) The corporate capital of Nova Pontocom, fully subscribed and paid up, amounts to R\$ 50,741,294.71 (fifty million, seven hundred and forty one thousand, two hundred and ninety four and seventy one cents), divided into 60,692,838 (sixty million, six hundred and ninety two Thousand, eight hundred and thirty eight) common, registered shares with no par value, distributed among shareholders as follows:

<b>Shareholder</b>	<b>Common Shares</b>	<b>Interest %</b>
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CBD

32,290,656

53.203

Via Varejo

26,643,996

43.900

QE Participações

1,652,465

2.723

Camberra Participações

105,721

0.174

<b>Total</b>	<b>60,692,838</b>	<b>100.00</b>
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**16.2**

(ii) The corporate capital of Via Varejo, fully subscribed and paid up, amounts to R\$ 2,895,453,338.98 (two billion, eight hundred and ninety five million, four hundred and fifty three thousand, three hundred and thirty eight reais and ninety eight cents), divided into 1,290,885,925 (one billion, two hundred and ninety million, eight hundred and eight five thousand, nine hundred and twenty five) book-entry shares with no par value, (a) 655,869,693 (six hundred and fifty five million, eight hundred and sixty nine thousand, six hundred and ninety three) of which refer to common shares; and (b) 635,016,232 (six hundred and thirty five, sixteen thousand, two hundred and thirty two) of which refer to preferred shares;

(iii) The corporate capital of CBD, fully subscribed and paid up, amounts to R\$ 6,806,089,454.81 (six billion, eight hundred and six million, eighty nine thousand, four hundred and fifty four reais and eighty one cents), divided into 265,699,779 (two hundred and sixty five million, six hundred and ninety nine thousand, seven hundred and seventy nine) book-entry shares with no par value, (a) 99,679,851 (ninety nine million, six hundred and seventy nine, eight hundred and fifty one) of which refer to common shares; and (b) 166.019.928 (one hundred and sixty six million, nineteen thousand, nine hundred and twenty eight) of which refer to preferred shares;

(iv) The corporate capital of QE Participações, fully subscribed and paid up, amounts to R\$ 29,643,342.00 (twenty-nine million, six hundred forty-three thousand, three hundred forty-two reais), divided into 29,643,342 (twenty-nine million, six hundred forty-three thousand, three hundred forty-two) quotas, with par value of R\$ 1.00 (one real) each, distributed among its partners as follows:

<b>Partner</b>	<b>Quotas</b>	<b>Interest %</b>
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German Pasquale Quiroga Vilardo

14,821,671

50.00

Eduardo Khair Chalita

14,821,671

50.00

<b>Total</b>	29,643,342	100.00
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(i)

(v) The corporate capital of Camberra Participações, fully subscribed and paid up, amounts to R\$ 1,007,655.00 (one million, seven thousand, six hundred fifty-five reais), divided into 1,007,655 (one million, seven thousand and six hundred and fifty five) quotas, with par value of R\$ 1.00 (one real) each, distributed among its partners as follows:

<b>Partner</b>	<b>Quotas</b>	<b>Interest %</b>
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Cintia Mendonça

18,586

1.84%

Demetrius Ferreira da Silva

10,617

1.05%

Deni Yuko Higa

86,306

8.56%

Gabriel Chagas Cordeiro

9,293

0.92%

Hilda Luzia Kozlowski

53,108

5.27%



<b>Partner</b>	<b>Quotas</b>	<b>Interest %</b>
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José Ricardo Ficher Tancredi

37,172

3.69%

Julia Barreto Rueff

18,586

1.84%

Lilian Tiemi Takada

37,172

3.69%

Lucas Correia dos Santos

34,512

3.43%

Luciano de Freitas Manolio

37,172

3.69%

Marcel Baldi Jacob

26,544

2.63%

Marcelo Luiz Pagotto Recco

37,172

3.69%

Marcelo Machado Estevão

17,261

1.71%

Marcia Teixeira

18,586

1.84%

Marcio Vianna de Melo

37,172

3.69%

Marco Antonio Andre Provetti

55,758

5.53%

Regis Borghi

185,870

18.45%

Valeria de Almeida Valentim

37,172

3.69%

Vicente Rodrigues de Rezende Filho

185,870

18.45%

Werner Germano Dopheide

63,726

6.32%

<b>Total</b>	<b>1,007,655</b>	<b>100%</b>
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## 16.3

### 4.1.2 Spin-off Effects to the Parties. If approved, the Spin-off:

- (i) will result in the extinction of Nova Pontocom;
- (ii) will not result in the change of the corporate capital of Via Varejo, considering that, as a result of the Spin-off, the investment made by Via Varejo in Nova Pontocom will be cancelled and replaced with the assets and liabilities included in Via Varejo Spin-off Assets;

- (iii) will not result in the change of the corporate capital of CBD, considering that, as a result of the Spin-off, the investment made by CBD in Nova Pontocom will be cancelled and replaced with the assets and liabilities included in CBD Spin-off Assets;
- (iv) will not result in the change of the corporate capital of QE Participações, considering that, as a result of the Spin-off, the investment made by QE Participações in Nova Pontocom will be cancelled and replaced with assets and liabilities included in QE Participações Spin-off Assets;
- (v) will not result in the change of the corporate capital of Camberra Participações, considering that, as a result of the Spin-off, the investment made by Camberra Participações in Nova Pontocom will be cancelled and replaced with assets and liabilities included in Camberra Participações Spin-off Assets;
- (vi) will be carried out based on the total net equity of Nova Pontocom, upon transfer to the Receiving Companies of assets and liabilities proportionally to their interests held in Nova Pontocom;
- (vii) balances of assets and liabilities related to existing agreements between Nova Pontocom and Via Varejo and between Nova Pontocom and CBD, which are described in **Exhibit 4.1.2(vii)** attached hereto, will be liquidated by means of equity merger; and
- (viii) all suits, claims, action and judicial or administrative proceedings of any nature, including, but not limited to, of labor, social security, civil, tax, environmental and commercial nature, related to acts performed or triggering events occurred until the date of Spin-off consummation will be attributed to CBD, which shall, upon succession, plaintiff/defendant in such suits, claims, action and proceedings.

**4.2 Conditions to implement Spin-off.** Spin-off implementation, upon transfer of Spin-off Assets to the Receiving Companies, appointment of Appraisal Firm, Report approval and other terms and conditions set forth herein, were approved (i) by the board of directors of Via Varejo and by the board of directors of CBD, on 18 November 2015; (ii) by the board of directors of Nova Pontocom, on 18 November 2015, and are subject to the approval or ratification, as the case may be, (a) of the shareholders of Nova Pontocom, the shareholders of Via Varejo and the shareholders of CBD; and (b) of the partners of QE Participações and Camberra Participações.

**4.3 Succession of rights and obligations.** In accordance with the provisions of item 4.1.2(viii), the Receiving Companies shall succeed Nova Pontocom in all of its rights and obligations not expressly described herein, proportionally to their respective Spin-off Assets, pursuant to Article 229, paragraph 1, part two, and shall be held jointly liable for Nova Pontocom's obligations, pursuant to Article 233, *caput*, of the Brazilian Corporate Law.

**4.4 Reimbursement amount.** The right of withdrawal is not applied to the shareholders of Nova Pontocom since Spin-off approval depends on consent from all shareholders of Nova Pontocom, that is, all Receiving Companies, pursuant to Article 229, paragraph 5, part two, of the Brazilian Corporate Law

**4.5 Interests in the corporate capital of the Parties.** As of the date hereof, CBD holds 410,352,691 (four hundred and ten million, three hundred and fifty two Thousand, six hundred and ninety one) common shares and 149,168,394 (one hundred and forty nine million, one hundred and sixty eight thousand, three hundred and ninety four) preferred shares issued by Via Varejo, which will not be changed as a result of the Spin-off. As described in item 4.1.2 above, the shares held by CBD, Via Varejo, QE Participações and Camberra Participações in the corporate capital of Nova Pontocom will be cancelled as a result of the



**5 GENERAL PROVISIONS**

**5.1 Severability.** Possible order rendered by any court to cancel or deem any of the covenants set forth herein unenforceable shall not affect the validity or effectiveness of the other covenants set forth herein, which shall be fully complied with, provided that the Parties shall use their best efforts in order to be validly adjusted to obtain the same effects of such cancelled or unenforceable covenant.

**5.2 Entire agreement, exhibits and amendments.** This Protocol and its exhibits constitute the entire understanding and covenants between the managers of the Parties, as applicable, with respect to the matters regulated herein. This Protocol and its exhibits may only be changed or amended through a written instrument signed by all managers of the Parties.

**5.3 Filing.** Upon Spin-off approval by the shareholders of Nova Pontocom, by the shareholders Via Varejo and CBD and by the partners of QE Participações and Camberra Participações, the management of the Receiving Companies shall file and publish all acts related to the Spin-off, pursuant to Article 229, paragraph 4, of the Brazilian Corporate Law.

**5.4 Applicable law.** This Protocol shall be governed by and construed in accordance with the laws of the Federative Republic of Brazil.

**5.5 Recommendation.** In light of the foregoing, including all requirements provided for in Articles 224 and 225 of the Brazilian Corporate Law, the Spin-off is deemed to meet the interests of the Parties and its shareholders, reason by which the implementation thereof is hereby recommended.

IN WITNESS WHEREOF, the Parties execute this Protocol and Justification of Total Spin-off in fifteen (15) counterparts, same in content and form, in the presence of the two (2) undersigned witnesses.

São Paulo, 3 December, 2015.

**NOVA PONTOCOM COMÉRCIO ELETRÔNICO S.A.**

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**Peter Paul Lorenço Estermann**  
Officer

**VIA VAREJO S.A.**

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**Peter Paul Lorenço Estermann**  
Chief Executive Officer

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**Marcelo Lopes**  
Vice-President Officer

**COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO**

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**Ronaldo Iabrudi dos Santos Pereira**  
Chief Executive Officer

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**Christophe José Hidalgo**  
Vice-President and Finance Officer

**QE PARTICIPAÇÕES LTDA.**

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**Eduardo Khair Chalita**

Manager

**CAMBERRA PARTICIPAÇÕES LTDA.**

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**Regis Borghi**

Manager

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**Vicente Rodrigues de Rezende Filho**

Manager

**Witnesses:**

Name:  
ID (RG):  
CPF/MF:

Nome:  
ID (RG):  
CPF/MF:

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**EXHIBIT 3.2**  
Appraisal Report of Spin-off Assets

NOVA PONTOCOM COMÉRCIO ELETRÔNICO S.A.

Appraisal Report based on book value for purposes of total spin-off with merger Nov.05.15 1 00  
080/15

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Dear Shareholders of

NOVA PONTOCOM COMÉRCIO ELETRÔNICO S.A. COMPANY BRASILEIRA DE DISTRIBUIÇÃO  
VIA VAREJO S.A.

MAGALHÃES ANDRADE S/S AUDITORES INDEPENDENTES, audit and advisory firm, enrolled with the Regional Accounting Council of the State of São Paulo under n° 2SP000233/O-3 and with the National Corporate Taxpayers' Registry under n° 62.657.242/0001-00, headquartered at Av. Brigadeiro Faria Lima, 1893 - 6° andar, Jardim Paulistano, São Paulo, SP, appointed by you as the appraiser responsible for the appraisal of the net worth of Nova Pontocom Comércio Eletrônico S.A., for purposes of total spin-off and merger of the spun-off portions into the net worth of Companhia Brasileira de Distribuição, Via Varejo S.A., Holding 1 and Holding 2, upon compliance with the necessary diligences and verifications to perform the work, presents the attached

Appraisal Report

In which terms, we subscribe. São Paulo, 5 November 2015

MAGALHÃES ANDRADE S/S

Independent Auditors CRC2SP000233/O-3

[signature]

GUY ALMEIDA ANDRADE

Partner

Accountant CRC1SP116758/O-6

## APPRAISAL REPORT

### INTRODUCTION

1. Grupo Pão de Açúcar is undertaking a reorganization whereby, according to the managements of NOVA PONTOCOM COMÉRCIO ELETRÔNICO S.A. (NOVA PONTOCOM or SPUN-OFF COMPANY) and RECEIVING COMPANIES, COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO (CBD), VIA VAREJO S.A. (VIA VAREJO), HOLDING 1 and HOLDING 2, the Spin-off will trigger the transfer and the subsequent merger of the total assets and liabilities of NOVA PONTOCOM, which will result in equity and financial benefits to the Parties and optimize the corporate structure of the group to which these companies belong, as it allows each of the Parties to have more autonomy and flexibility in the management of their investments.

2. HOLDINGS 1 and 2, which will incorporate a portion of the net assets were in process of incorporation at the time of preparation of this report. Capital stock of the holdings shall be

paid up by shares of NOVA PONTOCOM held by minority shareholders.

3. Accordingly, the purpose of this Report is to determine the value of the net worth at book value to be spun-off, taking into consideration the financial condition of NOVA PONTOCOM as at 30 September 2015.

4. The Report is issued in connection with the audit of the balance sheet of NOVA PONTOCOM prepared for such purpose as at 30 September 2015. The management is responsible for the preparation and appropriate presentation of these financial statements in accordance with accounting practices adopted in Brazil and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, regardless if caused by fraud or error.

5. The appraisal was conducted in accordance with Brazilian and international auditing rules. Such rules require the compliance with ethical rules by the auditors and that the audit is planned and performed with purposes to obtain reasonable assurance that the financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The chosen procedures depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, regardless if caused by fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and appropriate presentation of the financial statements in order to design audit procedures that are adequate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



7. We believe that the audit evidence obtained is enough and appropriate to support the opinion.

FINANCIAL CONDITION OF NOVA PONTOCOM

8. The assessment is carried out at book value, as set forth in article 226 of Law 6404/76, and based on the financial condition reflected in the Balance Sheet as at 30 September 2015, included as EXHIBIT 1 and whose financial condition of negative equity is broken down as follows:

ASSETS	236,205,960.79
(-) LIABILITIES	<u>250,692,486.65</u>
NEGATIVE EQUITY	(14,486,525.86)

9. Such balance sheet was prepared in accordance with accounting practices adopted in Brazil

and considered, for purposes of assessment, that the company shall continue as a going concern. EXHIBIT 2 describes the main accounting practices and policies adopted by NOVA PONTOCOM.

10. NOVA PONTOCOM maintains its accounting records in a regular manner in own books and the balances are duly recorded and reconciled.

11. In NOVA PONTOCOM's assets there are tax credits arising from accumulated losses, net of the provision for impairment loss of these assets, in the amount of R\$ 4,014,222.34 (four million, fourteen thousand, two hundred and twenty-two and thirty-four cents). As this balance cannot be offset against the RECEIVING COMPANIES' profit, this balance shall be reduced to zero. Such adjustment was adopted in this Report and is described in EXHIBIT 3 hereto.

12. In assets, there is also a credit arising from deferred temporary differences, which shall be adjusted to reflect the benefit that shall be transferred, which reduces the balance by R\$1,375,225.63.

13. On 5 November 2015, management used a portion of the balance of the loan agreements entered with shareholders Companhia Brasileira de Distribuição and Via Varejo to partially offset accumulated losses. This offset is in the amount of R\$ 19,885,973.83 (nineteen million, eight hundred and eighty-five thousand, nine hundred and seventy-three Reais and eighty-three cents), out of which R\$ 10,895,645.22 (ten million, eight hundred and ninety-five thousand, six hundred and forty-five Reais and twenty-two cents) against CBD and R\$ 8,990,328.61 (eight million, nine hundred and ninety thousand, three hundred and twenty-eight Reais and sixty-one cents) against Via Varejo.

14. The SPUN-OFF COMPANY has a current account balance with CBD, in the amount of R\$2,406,046.80 (two million, four hundred and six thousand, forty-six Reais and eighty cents). This balance shall be offset upon merger and shall not impact the RECEIVING COMPANY's net worth.

15. In liabilities, the SPUN-OFF COMPANY has credits arising from loan agreements with CBD, in the total amount of, after the adjustment referred to in paragraph 13, R\$ 88,982,827.52 (eighty-eight million, nine hundred and eighty-two thousand, eight hundred and twenty-seven Reais and fifty-two cents) and with VIA VAREJO, in the total amount of R\$ 74,876,159.77 (seventy-four million, eight hundred and seventy-six thousand, one hundred and fifty-nine Reais and seventy-seven cents). These balances shall be offset upon merger and shall not impact the RECEIVING COMPANIES' net worth.

16. By virtue of the adjustments described in paragraphs 11, 12 and 13, the financial condition of NOVA PONTOCOM, as at 30 September 2015, for purposes of spin-off, is described in EXHIBIT 4 and is summarized as follows:

ASSETS	230,816,512.82
(-) LIABILITIES	<u>230,806,512.82</u>
SHAREHOLDERS' EQUITY	10,000.00

17. The capital stock of NOVA PONTOCOM amounts to R\$ 50,741,294.71 (fifty million, seven hundred and forty-one thousand, two hundred and ninety-four Reais and seventy-one cents) and is divided into 60,692,838 (sixty million, six hundred and ninety-two thousand and eight hundred and thirty-eight) shares, distributed as follows:

#### Quantity

Shareholders	Shares	CapitalStock	Interest
Company Brasileira de Distribuição	32,290,656	26,996,096.19	53.203%
Via Varejo S.A.	26,643,996	22,275,294.71	43.900%
German Pasquale Quiroga Vilardo	826,232	690,758.30	1.361%
Eduardo Khair Chalita	826,233	690,759.13	1.361%
Deni Yoku Higa	9,055	7,570.29	0.015%
Werner Gernano Dopheide	6,686	5,589.73	0.011%
Hilda Luzia Kozlowski	5,572	4,658.38	0.009%
MarcelJacob	2,785	2,328.36	0.005%



MarceloMachado Estevão	1,811	1,514.06	0.003%
Lucas Correia dos Santos	3,621	3,027.28	0.006%
Demetrius Ferreira da Silva	1,114	931.34	0.002%
CintiaMendonça	1,950	1,630.27	0.003%
GabrielChagas Cordeiro	975	815.13	0.002%
José Ricardo Tancredi	3,900	3,260.53	0.006%
Julia Barreto Rueff	1,950	1,630.27	0.003%
Lilian Tiemi Takada	3,900	3,260.53	0.006%
Luciano de Freitas Manolio	3,900	3,260.53	0.006%
Marcelo Luiz Pagotto Recco	3,900	3,260.53	0.006%
MarciaTeixeira	1,950	1,630.27	0.003%
Márcio Vianna de Melo	3,900	3,260.53	0.006%
Marco Antonio Provetti	5,850	4,890.80	0.010%
Regis Borghi	19,501	16,303.51	0.032%
Valéria de Almeida Valentim	3,900	3,260.53	0.006%
Vicente R. de Rezende Filho	19,501	16,303.51	0.032%
	60,692,838	50,741,294.71	100.000%

18. Based on the restated balance sheet of NOVAPONTOCOM, on the spin-off is based, the equity value of shares is R\$ 0,000165.

Caption:

*Valor patrimonial das ações* –Equity value of the shares

*Valor do passivo a descoberto* –Value of insufficiency of assets

*Quantidade de ações* - Number of Shares.



#### EFFECT OF THE SPIN-OFF ON NOVA PONTOCOM

19. As a result of the spin-off, NOVA PONTOCOM shall be extinct, and its net assets shall be absorbed by the RECEIVING COMPANIES, as set forth in EXHIBIT 4.

Shares held by CBD, VIA VAREJO, HOLDING 1 and HOLDING 2, equal to the spin-off shall be forfeited and replaced with assets and liabilities incorporated thereby.

#### EFFECT OF THE MERGER ON CBD

21. CBD absorbs part of the net worth of NOVA PONTOCOM in the amount of R\$5,320.34 (five thousand, three hundred and twenty Reais and thirty-four cents), as demonstrated in EXHIBIT 4.

22. NOVA PONTOCOM's shares held by CBD shall be cancelled and replaced with assets and liabilities incorporated thereby, while CBD's interest in NOVA PONTOCOM is extinguished, in the exact amount of the net assets incorporated hereby, without any impact on its net worth.

#### EFFECT OF THE MERGER ON VIA VAREJO

23. VIA VAREJO absorbs part of the net worth of NOVA PONTOCOM in the amount of R\$4,389.97 (four thousand, three hundred and eighty-nine Reais and ninety-six cents).

24. NOVA PONTOCOM's shares held by VIA VAREJO shall be cancelled and replaced with assets and liabilities incorporated thereby, while VIA VAREJO's interest in NOVA PONTOCOM is extinguished, in the exact amount of the net assets absorbed hereby, without any impact on its net worth.

#### EFFECT OF THE MERGER ON HOLDING 1

25. HOLDING 1 absorbs part of the net worth of NOVA PONTOCOM in the amount of R\$272.27 (two hundred and seventy-two Reais and twenty-seven cents), as demonstrated in EXHIBIT 4.

The shares of NOVA PONTOCOM held by HOLDING 1 will be replaced and forfeited by the assets and liabilities incorporated thereby, at the same time as the interest of HOLDING 1 in NOVA PONTOCOM will be extinct, at the exact amount of the net asset absorbed, without any impact in its net asset.

27. HOLDING 2 absorbs part of the net worth of NOVA PONTOCOM in the amount of R\$17.42 (seventeen Reais and forty-two cents), as demonstrated in EXHIBIT 4.

28. The shares of NOVA PONTOCOM held by HOLDING 2 will be replaced and forfeited by the assets and liabilities incorporated thereby, at the same time as the interest of HOLDING 2 in NOVA PONTOCOM will be extinct, at the exact amount of the net asset incorporated, without any impact in its asset.

## CONCLUSION

29. Given the findings and statements, it can be concluded that the Spun-Off Company's installment of NOVA PONTOCOM on 30 September 2015, transferred to COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO, to VIA VAREJO S.A., and to two new Holdings, represents an adjusted net worth of R\$10,000.00 (ten thousand Reais) and is in compliance with article 226 of Law 6,404/76.

## REPRESENTATIONS

30. The appraisal expert expressly represents that she has no interest, directly or indirectly, in NOVA PONTOCOM COMÉRCIO ELETRÔNICO S.A., in COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO, in VIA VAREJO S.A., in HOLDING 1 and in HOLDING 2 or even in the transaction, and that there is no other circumstance that could characterize a conflict of interest. She also informs that the managers of NOVA PONTOCOM, CBD, and VIA VAREJO did not limit, difficult, or perform any acts that could have compromised the access, use, or knowledge of information, properties, documents, or work methods relevant to the quality of the respective conclusions.

This Report is issued in six (6) counterparts and has seven (7) pages and four (4) exhibits, printed on just one side and initialed by the undersigned expert.

São Paulo, 5 November 2015.

MAGALHÃES ANDRADE S/S

Independent Auditors CRC2SP000233/O-3

[signature]

GUY ALMEIDA ANDRADE

Partner

Accountant CRC1SP116758/O-6

## NOVA PONTOCOM COMÉRCIO ELETRÔNICO S.A.

## EXHIBIT 1

## Balance Sheet as of 09.30.2015 (amounts in Reais) ASSETS

Current	
Judicial Deposits	3,124,729.26
Recoverable PIS	4,250,121.39
Recoverable COFINS	20,567,217.42
Income Tax to be Refunded/Offset	3,405,094.21
Recoverable INSS	491,684.76
Total Current Assets	31,838,847.04
Non-current	
Credit Receivables - Globex	(0.04)
Credit Receivables - CBD	2,406,046.80
Deferred Income Tax - Tax Loss	12,951,887.15
Provision for Loss - Deferred Income Tax - Tax Loss	(8,937,664.81)
Deferred Income Tax - Temporary Differences	1,448,086.98
PIS	47,384,918.22
COFINS	214,248,882.40
Equity Interests - CNova	(77,483,243.53)
Equity Interests - Lux Co.	12,295,904.46
Equity Interest at CDiscount	52,296.12
Total non-current assets	204,367,113.75
TOTAL ASSETS	236,205,960.79

## LIABILITIES AND NET WORTH

## LIABILITIES

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Non-current	
Obligations Extra.COM	5,517,241.38
NPC - Brussels (Reimbursement of Expenses)	61,215,986.06
Other Provisions	214,298.09
Provisions for Contingencies	4,415,252.59
Indemnification Assets	(4,415,252.59)
Loan Agreement - CBD	76,144,039.11
Loan Agreement - Via Varejo	63,937,417.39
Interest without Loan Agreement - CBD-NPC	23,734,433.63
Interest without Loan Agreement - Via Varejo	19,929,070.99
TOTAL LIABILITIES	250,692,486.65
NET WORTH	
Paid-up Capital Stock	50,741,294.71
Equity Method	165,853.33
Capital Reserve	6,120,324.11
Legal Reserve	404,762.17
Transactions with non-controlling shareholders NPC	320,613,633.33
Fair Value - Financial Assets	8,585.88
Profit (Loss) in the Corporate Interest	(15,871,321.17)
Accumulated Profit (Loss)	(295,506,586.68)
Equity Valuation Adjustment (Law 11.638/07)	21,697,831.21
CN Stock Option Reserve	7,166,617.12
Discount Stock Option Reserve	5,248,080.01
Shares Held in Treasury	(742,846.83)
Pension Plan - CDiscount	(1,531,120.81)
Accumulated Conversion Adjustments	(113,001,632.24)

TOTAL NET WORTH	(14,486,525.86)
TOTAL LIABILITIES AND NET WORTH	236,205,960.79

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NOVA PONTOCOM COMÉRCIO ELETRÔNICO S.A.

EXHIBIT 2

Main Accounting Practices and Policies

1. Accounting rules

The financial statements were prepared pursuant to the rules issued by the Brazilian Accounting Pronouncements Committee –CPC and approved by the Federal Accounting Council –CFC.

The financial statements were prepared based on the historical cost, except for certain financial instruments, measured at the fair value.

The financial statements are submitted in Real, which is the functional currency and the presentation currency of the Company and its subsidiaries.

2. Preparation and presentation basis

2.1. Use of judgments and estimates

The preparation of the Company’s financial statements requires management to use judgments, estimates, and assumptions that affect the stated amounts of revenues, expenses, assets, liabilities, and their relevant disclosure, in addition to the disclosure of the contingent liabilities. Uncertainties regarding such assumptions and estimates may deliver results that require material adjustments to the carrying amount of affected assets or liabilities in future fiscal years.

Trials

In the process of enforcing the Company’s accounting policies, Management adopted the following judgments, which significantly affected the amounts recognized in the financial statements:

Estimates and assumptions

We describe below the main assumptions with respect to future sources and other main sources of uncertainty in the estimates on the date of the balance sheet that may pose a significant risk of requirement of material adjustments to the carrying amounts of assets and liabilities during the next fiscal year. The Company based its assumptions and estimates on metrics available at the time of the preparation of the financial statements. However, the real circumstances and assumptions regarding future developments may vary according to changes in the market or circumstances beyond the control of the Company. Such changes are reflected on the assumptions as they occur.



## 2. Preparation and presentation basis (Continued)

### 2.1. Use of judgments and estimates (Continued)

#### a) Impairment of non-financial assets

The impairment occurs when the carrying amount of an asset or a cash generating unit exceeds its recoverable amount, which is the higher of the fair value, less any disposal costs, and its value in use. For this closing, the Company performed no impairment tests, which shall be performed as of the end of the year, but there is no evidence of change in the business environment that leaves room to the reversal of the recoverability of the assets.

#### b) Tax credits (PIS, COFINS, and ICMS)

The Company is subject to the methodology for tax debits and credits that may accrue under the applicable laws and regulations. Management took into account the possibilities of realizing the tax credits based on the technical feasibility study on the future realization of taxes, considering the ongoing spin-off and the use of such balances by the RECEIVING COMPANIES.

#### c) Provision for judicial claims

The Company is a party to several legal and administrative proceedings. The provisions for legal demands are made for all actions likely to give rise to resolution expenses. The assessment of the probability of loss includes assessment of the available evidence, law hierarchy, available case law, the most recent court decisions and their legal relevance, as well as assessment by outside counsel. Management believes that the provisions for tax, civil, and labor demands are properly presented in the consolidated separate financial statements.

#### d) Stock-based compensation

The Company measures the cost of stock-based compensation to employees based on the fair value of the equity instruments at the granting date.

The estimated Fair Value of stock-based compensation transactions requires choice of the most suitable assessment regime, depending on the terms and conditions of the award. This estimate also requires choice of the most suitable sources to be used in the assessment model, including the expected useful life of the share option, the volatility, and the dividend yield, in addition to the use of assumptions in this regard.

## 3. Main accounting policies

### 3.1 Controlled companies

The Company is deemed to be in control when it is exposed or holds rights to varied returns resulting from its engagement with the invested company and when it is able to influence such returns through its power

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over the invested company.

Specifically, the Company is deemed the parent of an investee only when the Company:

- Has power over the invested company (that is, existing rights ensuring the ability to control the investee's relevant activities);

- Is exposed or holds rights to varied returns resulting from its engagement with the investee;

and

- Can use its power over the investee to influence its returns.

In the events the Company holds a non-controlling interest in the decisions or other rights to an invested company, the Company takes into account all relevant facts and circumstances when analyzing its power over an invested company, such as:

- Contractual agreements with other holders of voting rights in the invested company;
- Rights arising from contractual agreements;
- The Company's voting rights and potential voting rights.

The Company reassesses its position of parent of an invested company or the absence of such position if the facts and circumstances indicate changes in one or more of these three control elements.

On 30 September 2015, only LuxCo. is deemed a controlled company, in which the Company holds interest of 95.13% of the capital stock. In case of the other invested companies, the Company is a member of the controlling group, but it holds an interest lower than 50%.

The amount of the investment in these controlled companies is assessed through the Equity Method, based on the invested companies' financial statements as of September 30, 2015.

### 3.2. Impairment of non-current assets

The intangible assets with indefinite useful life are tested for impairment at least once a year, on

31 December, or when there is any sign of impairment. Other assets are also tested for impairment whenever there is any sign thereof.

## 3. Main accounting policies (Continued)

### 3.2. Impairment of non-current assets (Continued) Cash-Generating Units (CGUs)

A cash generation unit is the smaller group of assets generating cash, which assets are, most of the times, independent from the cash of other assets or group of assets.

#### Impairment indicators

In addition to the external sources of data monitored by the Company (economic environment, asset market value, etc.), the operational performance is used as an impairment indicator.



### Recoverable amount

The recoverable amount of an asset is the higher of its fair value, less selling costs, and its value in use. It is usually determined on an individual basis for each asset. In case such determination is not possible, the recoverable amount of the CGU group to which the asset belongs is used.

Fair Value is the price that would be received for the sale of an asset or paid for the transfer of a liability in an ordinary transaction between market players on the date of measurement.

The value in use is the present value of the expected future cash flows from the continuous use of an asset, plus a terminal value. It is assessed internally or by external experts based on:

- forecasted cash flows contained in the business plan or budgets with maximum time horizon of five years. Cash flows beyond the forecast period are estimated through application of a constant or decreasing growth rate;
- the terminal value is determined through application of a perpetual growth rate until the end of the forecasted cash flow. The cash flows and terminal value are discounted at long-term rates, net of taxes, reflecting the market estimates of the temporal cash value and specific risks related to the assets.

#### Reduction to recoverable value (impairment)

Impairment losses are recognized when the book value of an asset or CGU to which it belongs is higher than its recoverable amount. Impairment losses are accounted for as expenses in the item "Asset impairment loss".

### 3. Main accounting policies (Continued)

#### 3.2. Impairment of non-current assets (Continued) Impairment (impairment) (Continued)

Impairment losses recognized in a previous period are reversed if, and only if, there were changes in the estimates used to determine the recoverable amount of the assets since the last recognition of an impairment loss. However, the increase in the book value of an asset due to the reversed impairment losses may not exceed the book value that would have been assessed if no impairment loss of the asset had been recognized in previous years.

On 30 September 2015, the Company had no intangible assets.

#### 3.3. Net equity

##### Stock-based compensation

Employees (including senior executives of the Company) may receive share call options and share awards.

The benefit granted through share option plans, assessed at the fair value upon award, corresponds to an additional compensation. The fair value of the options on the date of the award is recognized as employee benefit expenses during the vesting period.



The fair value of the options is determined through the Black & Scholes option pricing model, based on the characteristics of the plan, market data (including the market price of the shares subject to the options, volatility of the share price, and risk-free interest rate) on the date of the award, and on assumptions related to the probability of keeping the relationship of the beneficiaries with the Company until the options become exercisable.

The fair value of the share awards is also determined based on the characteristics of the plan, market data on the date of the award, and on assumptions related to the probability of keeping the relationship of the beneficiaries with the Company until the options become exercisable. In the event there are no restrictions on the exercise related to the share award plan, the expense is fully recognized upon creation of the plan. Otherwise the expense is deferred throughout the vesting period, as long as the conditions to exercise are satisfied.

### 3. Main accounting policies (Continued)

#### 3.3. Net worth (Continued) Dividends

When applicable to the distribution of dividends to shareholders of the Company, it is recognized as liabilities in the end of the year, based on the mandatory minimum dividends defined in the bylaws. Any amounts exceeding the minimum dividends shall be accounted for only on the date on which such additional dividends are approved by the shareholders of the Company.

#### 3.4. Financial liabilities Definitions

Financial liabilities are classified under the category of loans recognized at the amortized cost.

Financial liabilities are classified as current liabilities, if they expire within one year, or non-current liabilities, if their expiration date is within more than one year.

#### Recognition and measurement of financial liabilities

##### a) Financial liabilities recognized at the amortized cost

The loan agreements with related parties are recognized at the amortized cost through the effective interest rate method.

##### b) Financial liabilities recognized at fair value through profit or loss

Financial liabilities that the Company intends to maintain for negotiation in the short term. They are measured at the fair value, and any gains or losses arising from reassessment of the fair value are recognized in the income statement. On 30 September 2015, the Company has no financial liabilities under this classification.

3.5. Other Provisions

Provisions are made when the Company has a (legal or constructive) present obligation resulting from a past event, which amount may be reliably estimated and when there is a probability of outflow of resources that incorporate economic benefits for acquittance of the obligation. The provisions are discounted when the related adjustment is material.

### 3. Main accounting policies (Continued)

#### 3.5. Other Provisions (Continued)

Contingent liabilities correspond to a potential obligation that results from past events and which existence shall be confirmed only by the occurrence, or lack of it, of one or more uncertain future events not completely under control of the Company, or present obligations for which no outflow of resources that incorporate economic benefits for acquittance of the obligation are expected. Contingent liabilities are not recognized in the balance sheet, but are disclosed in a note to the financial statements.

#### 3.6. Classification of the assets and liabilities as current and non-current

The assets expected to be realized or that the Company intends to sell or consume during the regular cycle of its operations or within twelve months of the date of the balance sheet are classified as current assets, together with the assets kept with the main purpose of trading and cash and cash equivalents. The other assets are classified as “non-current assets”. The liabilities expected to be settled during the regular cycle of operations of the Company or within twelve months of the date of the balance sheet are classified as current liabilities. The regular cycle of operations of the Company is of 12 months.

All receivable or payable deferred taxes are classified as non-current assets or liabilities.

#### 3.7. Taxes.

##### Current Income Tax

Current tax assets and liabilities for the current year are defined at the expected recovery amount or the amount to be paid to the tax authorities.

The current income tax related to items directly recognized as shareholder’s equity, when applicable, is recognized in the shareholders’ equity, rather than in the income statement. Management assesses, from time to time, the positions accounted for in the tax returns with respect to situations in which the applicable tax laws and regulations are subject to interpretations and makes provisions when appropriate.

The taxation on the income comprises the Corporate Income Tax (“IRPJ”) and the Social Contribution on Net Profits (“CSLL”) and is calculated by the taxable income regime (adjusted profit) at the applicable rates pursuant to the current laws and regulations: 15% on the taxable income and additional 10% on what exceeds R\$240 in taxable income per year, for IRPJ, and 9% for CSLL.



## Main Accounting Practices and Policies

### 3. Main accounting policies (Continued)

#### 3.7. Taxes (Continued)

##### Deferred income tax

The deferred taxes are recognized according to the balance sheet. They are calculated by the liability method, which consists in the adjustment of the deferred taxes recognized in previous years due to any changes in the income tax rate.

The deferred tax assets correspond to future tax benefits arising from deductible temporary differences and certain adjustments with expected recovery.

The deferred tax liabilities are fully recognized for:

- temporary tax differences, except when the deferred tax liability results from recognition of a non-deductible goodwill impairment loss or from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, has no impact on the accounting profit or on the taxable profit or tax loss; and
- temporary tax differences related to investments in controlled companies, except when the Company is the parent at the time of reversal of the difference and if the reversal is not likely to occur in the near future.

## EXHIBIT 3

## NOVA PONTOCOM COMÉRCIO ELETRÔNICO S.A.

Adjusted balance sheet (amounts in Reais)

	Balance as of	Adjustments Debt.	Credit	Adjusted balance
	09.30.2015			
<b>ASSETS</b>				
Current				
Judicial Deposits	3,124,729.26			3,124,729.26
Recoverable PIS	4,250,121.39			4,250,121.39
Recoverable COFINS	20,567,217.42			20,567,217.42
Income Tax to be Refunded/Offset	3,405,094.21			3,405,094.21
Recoverable INSS	491,684.76			491,684.76
Total Current Assets	31,838,847.04			31,838,847.04
Non-current				
Credit Receivables - Globex	(0.04)			(0.04)
Credit Receivables - CBD	2,406,046.80			2,406,046.80
Deferred Income Tax - Tax Loss	12,951,887.15		12,951,887.15	-
Provision for Loss - Deferred Income Tax - Tax Loss	(8,937,664.81)	8,937,664.81		-
Deferred Income Tax - Temporary Differences	1,448,086.98		1,375,225.63	72,861.35
PIS	47,384,918.22			47,384,918.22
COFINS	214,248,882.40			214,248,882.40
Equity Interests - CNova	(77,483,243.53)			(77,483,243.53)
Equity Interests - CDiscount	52,296.12			52,296.12
Equity Interest at - Lux Co.	12,295,904.46			12,295,904.46
Total non-current assets	204,367,113.75			198,977,665.78
<b>TOTAL ASSETS</b>	<b>236,205,960.79</b>			<b>230,816,512.82</b>
<b>LIABILITIES AND NET WORTH</b>				
<b>LIABILITIES</b>				
Non-Current				
Obligations Extra.COM	5,517,241.38			5,517,241.38

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NPC - Brussels (Reimbursement of Expenses)	61,215,986.06			61,215,986.06
Other Provisions	214,298.09			214,298.09
Provisions for Contingencies	4,415,252.59			4,415,252.59
Indemnification Assets	(4,415,252.59)			(4,415,252.59)
Loan Agreement - CBD	76,144,039.11	10,895,645.22		65,248,393.89
Loan Agreement - Via Varejo	63,937,417.39	8,990,328.61		54,947,088.78
Interest without Loan Agreement - CBD-NPC	23,734,433.63			23,734,433.63
Interest without Loan Agreement - Via Varejo	19,929,070.99			19,929,070.99
TOTAL LIABILITIES	250,692,486.65			230,806,512.82
NET WORTH				
Paid-up Capital Stock	50,741,294.71			50,741,294.71
Equity Method	165,853.33			165,853.33
Capital Reserve	6,120,324.11			6,120,324.11
Legal Reserve	404,762.17			404,762.17
Transactions with non-controlling shareholders NPC	320,613,633.33			320,613,633.33
Fair Value - Financial Assets	8,585.88			8,585.88
Profit (Loss) in the Corporate Interest	(15,871,321.17)			(15,871,321.17)
Accumulated Profit (Loss)	(295,506,586.68)	14,327,112.78	28,823,638.64	(281,010,060.82)
Equity Valuation Adjustment (Law 11.638/07)	21,697,831.21			21,697,831.21
CN Stock Option Reserve	7,166,617.12			7,166,617.12
Discount Stock Option Reserve	5,248,080.01			5,248,080.01
Shares Held in Treasury	(742,846.83)			(742,846.83)
Pension Plan - Discount	(1,531,120.81)			(1,531,120.81)
Accumulated Conversion Adjustments	(113,001,632.24)			(113,001,632.24)
TOTAL NET WORTH	(14,486,525.86)			10,000.00
TOTAL LIABILITIES AND NET WORTH	236,205,960.79	43,150,751.42	43,150,751.42	230,816,512.82

## EXHIBIT 4

## NOVA PONTOCOM COMÉRCIO ELETRÔNICO S.A.

Net Assets attributed to RECEIVING COMPANIES (amounts in Reais)

	CBD	Spun-off portions to be acquired by		
		Via Varejo	Holding 1	Holding 2
<b>ASSETS</b>				
Current				
Judicial Deposits	3,124,729.26			
Recoverable PIS	2,328,667.19	1,921,454.20		
Recoverable COFINS	11,268,902.70	9,298,314.72		
Income Tax to be Refunded/Offset	778,745.01	642,566.22	1,864,496.60	119,286.38
Recoverable INSS	491,684.76			
Total Current Assets	17,992,728.92	11,862,335.14	1,864,496.60	119,286.38
Non-current				
Credit Receivables - Globex	-	(0.04)	-	-
Credit Receivables - CBD	2,406,046.80	-	-	-
Deferred Income Tax - Tax Loss	-	-	-	-
Provision for Loss - Deferred Income Tax - Tax Loss	-	-	-	-
Deferred Income Tax - Temporary	72,861.35	-	-	-
Differences				
PIS	30,751,198.61	16,633,719.61	-	-
COFINS	139,040,230.13	75,208,652.27	-	-
Equity Interests - CNova	(40,835,126.31)	(34,288,596.34)	(2,217,641.10)	(141,879.78)
Equity Interests - CDiscount	27,561.04	23,142.56	1,496.76	95.76
Equity Interest at - Lux Co.	6,480,172.86	5,441,296.54	351,920.00	22,515.07
Total non-current assets	137,942,944.48	63,018,214.60	(1,864,224.34)	(119,268.96)
<b>TOTAL ASSETS</b>	<b>155,935,673.39</b>	<b>74,880,549.74</b>	<b>272.26</b>	<b>17.42</b>

## EXHIBIT 4 (Continued)

## NOVA PONTOCOM COMÉRCIO ELETRÔNICO S.A.

Net Assets attributed to RECEIVING COMPANIES (amounts in Reais)

	CBD	Spun-off portions to be acquired by		
		Via Varejo	Holding 1	Holding 2
<b>LIABILITIES AND NET WORTH</b>				
<b>LIABILITIES</b>				
Non-current				
Obligations Extra.COM	5,517,241.38	-	-	-
NPC - Brussels (Reimbursement of Expenses)	61,215,986.06	-	-	-
Other Provisions	214,298.09	-	-	-
Provisions for Contingencies	4,415,252.59	-	-	-
Indemnification Assets	(4,415,252.59)	-	-	-
Loan Agreement - CBD	65,248,393.89	-	-	-
Loan Agreement - Via Varejo	-	54,947,088.78	-	-
Interest without Loan Agreement - CBD-NPC	23,734,433.63	-	-	-
Interest without Loan Agreement - Via Varejo	-	19,929,070.99	-	-
<b>TOTAL LIABILITIES</b>	<b>155,930,353.05</b>	<b>74,876,159.77</b>	<b>-</b>	<b>-</b>
<b>NET WORTH.</b>				
Paid-up Capital Stock	26,996,096.19	22,275,294.71	1,381,517.43	88,386.38
Equity Method	90,872.05	74,981.28	-	-
Capital Reserve	3,353,362.98	2,766,961.13	-	-
Legal Reserve	221,771.67	182,990.50	-	-
Transactions with non-controlling shareholders NPC	175,666,169.08	144,947,464.25	-	-
Fair Value - Financial Assets	4,704.26	3,881.62	-	-
Profit (Loss) in the Corporate Interest	(8,695,993.86)	(7,175,327.31)	-	-
Accumulated Profit (Loss)	(153,568,929.43)	(126,714,364.10)	(683,066.25)	(43,701.05)
Equity Valuation Adjustment (Law 11.638/07)	11,888,374.32	9,809,456.89	-	-
CN Stock Option Reserve	3,926,633.32	3,239,983.80	-	-

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Discount Stock Option Reserve	2,875,455.11	2,372,624.90	-	-
Shares Held in Treasury	-	-	(698,178.91)	(44,667.92)
Pension Plan - Discount	(838,910.45)	(692,210.36)	-	-
Accumulated Conversion Adjustments	(61,914,284.89)	(51,087,347.35)	-	-
TOTAL OF NET WORTH	5,320.34	4,389.97	272.27	17.42
TOTAL LIABILITIES AND NET WORTH	155,935,673.39	74,880,549.74	272.27	17.42

**EXHIBIT 4.1.2(vii)**

Agreements entered into between Nova Pontocom and Via Varejo and entered into between Nova Pontocom and CBD which will be liquidated by means of equity merger

Agreements entered into between Nova Pontocom and Via Varejo:

1. Loan Agreement dated 18 July 2011, in the amount of R\$ 37,212,560.70 (thirty-seven million, two hundred and twelve thousand, five hundred and sixty reais and seventy cents), with loan date established as of 6 February 2013, and payment date established as of 6 February 2014, extended to 6 February 2017, secured by promissory note in the same amount; and
2. Loan Agreement dated 18 July 2011, in the amount of R\$ 26,724,856.67 (twenty-six million, seven hundred twenty-four thousand, eight hundred fifty-six reais and sixty seven cents), with loan date established as of 25 April 2013, and payment date established as of 6 February 2014, extended to 6 February 2017, secured by promissory note in the same amount.

Agreements entered into between Nova Pontocom and CBD:

3. Loan Agreement dated 18 July 2011, in the amount of R\$ 44,317,348.02 (forty-four million, three hundred and seventeen thousand, three hundred forty-eight reais and two cents), with loan date established as of 6 February 2013, and payment date established as of 6 February 2014, extended to 6 February 2017, secured by promissory note in the same amount; and
4. Loan Agreement dated 18 July 2011, in the amount of R\$ 31,826,691.09 (thirty-one million, eight hundred twenty-six thousand, six hundred ninety-one reais and nine cents), with loan date established as of 25 April 2013, and payment date established as of 6 February 2014, extended to 6 February 2017, secured by promissory note in the same amount.

**EXHIBIT II-B(i) TO THE MANAGEMENT PROPOSAL**

MERGER PROTOCOL AND JUSTIFICATION OF  
SÉ SUPERMERCADOS LTDA. PELA COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

November 18, 2015  
COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

and

SÉ SUPERMERCADOS LTDA.

MERGER PROTOCOL AND JUSTIFICATION

of Sé Supermercados Ltda. into Companhia Brasileira de Distribuição

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## **MERGER PROTOCOL AND JUSTIFICATION OF SÉ SUPERMERCADOS LTDA. INTO COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO**

By this private instrument:

(1) **COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO**, a publicly held company, with head offices in the City of São Paulo, State of São Paulo, at Av. Brigadeiro Luis Antônio, No. 3,142, CEP 01402-000, enrolled with the Corporate Taxpayers' Registry ("**CNPJ/MF**") under No. 47.508.411/0001-56, herein represented in accordance to its By-laws ("**Merging Company**"); and

(2) **SÉ SUPERMERCADOS LTDA.**, a limited liability company, with head offices in the City of São Paulo, State of São Paulo, at Av. Brigadeiro Luís Antônio, No. 3,172, Jardim Paulista, CEP 01402-002, enrolled with the CNPJ/MF under No. 01.545.828/0001-98, herein represented in accordance to its Articles of Association ("**Merged Company**" or "**Sé**" and, when jointly referred with the Merging Company, the "**Parties**" and, individually, a "**Party**"),

**DECIDE**, pursuant to the provisions of Articles 224, 225 and 227 of Law No. 6,404 dated December 15, 1976, as amended ("**Brazilian Corporate Law**") and Articles 1,116 to 1,118 of Law 10,406 dated January 10, 2002, as amended ("**Civil Code**"), to enter into this Merger Protocol and Justification ("**Protocol**"), in order to regulate the terms and conditions applicable to the merger of the Merged Company into the Merging Company ("**Merger**"), subject to the approvals mentioned in Section 4.2 below.

### **1 Purpose**

The purpose of this Protocol is to set forth the basis of the Merger proposal to be discussed by the shareholders and the quotaholder of the Parties, as applicable. If the proposal subject of this Protocol is approved:

- (i) the Merging Company shall succeed the Merged Company in all its rights and obligations and all assets and liabilities of the Merged Company, will be transferred to the Merging Company; and
- (ii) the Merged Company will be extinguished and therefore the quotas of the Merged Company's corporate capital will be extinguished and canceled, and the corporate capital of the Merging Company will remain unchanged, subject to the provisions set forth in Section 4.1.2.

### **2 Justification and interest of the Parties in carrying out the Merger**

The management of the Parties understands that the Merger will offer patrimonial, legal and financial benefits, among which:

- (i) the optimization of the corporate structure of the group to which the Parties belong; and
- (ii) the reduction of costs in administrative areas and the fulfillment of ancillary obligations, creating synergies to be benefited from.



### 3 Appraisal

**3.1 Appraisal.** The Parties agree that, pursuant to the appraisal report attached hereto as **Exhibit 3.1** (“**Report**”), the value of the Merged Company’s net equity was appraised by **MAGALHÃES ANDRADE S/S AUDITORES INDEPENDENTES**, enrolled with the Regional Accounting Council of the State of São Paulo, under No. 2SP000233/O-3 and with the CNPJ/MF under No. 62.657.242/0001-00, with head offices in the City of São Paulo, State of São Paulo, at Av. Brigadeiro Faria Lima, No. 1,893, 6<sup>th</sup> floor, Jardim Paulistano (“**Appraiser**”), on the reference date of September 30, 2015, based on the balance sheet prepared by the management of the Merged Company on the same date and for this specific purpose. According to the Report, the value of the Merged Company’s net equity on September 30, 2015 corresponds, reflecting the effect of subsequent events as described in the Report, on the date of the Report, to two billions, seven hundred and thirteen million, thirty thousand, four hundred and six reais and sixty-four cents (R\$ 2,713,030,406.64).

**3.2 Changes in equity.** In case the proposed Merger is approved, the changes in the equity of the Merged Company which occur after the base date of September 30, 2015 shall be absorbed by the Merging Company and duly registered in its financial statements.

**3.3 Conflict.** The Appraiser declared it has no direct or indirect interest in the companies involved in the Merger or, also, in relation to the Merger itself, which could prevent it from preparing or affect the preparation of the Report required for the purposes of the Merger.

### 4 General Aspects of the Merger

In case the Merger proposal is approved, the Merger shall be implemented as follows:

#### 4.1 Corporate Capital

##### 4.1.1 Current composition.

(i) The corporate capital of the Merged Company is one billion, four hundred and forty-four million, one hundred and forty-one thousand, seven hundred and fifty-two reais and nine cents (BRL 1,444,141,752.09), divided into three hundred and sixty-six million, two hundred and sixty-seven thousand and thirty-four (366,267,034) quotas with par value of 3.94286577287 each, totally held by the Merging Company.

(ii) The corporate capital of the Merging Company, fully subscribed and paid for, is six billion, eight hundred and six million, eighty-nine thousand, four hundred and fifty-four reais and eighty-one cents (BRL 6,806,089,454,81), divided into two hundred and sixty-five million, six hundred and ninety-nine thousand and seven hundred and seventy-nine (265,699,779) book entry shares without par value, of which (a) ninety-nine million, six hundred and seventy-nine thousand and eight hundred and fifty-one (99,679,851) common shares; and (b) one hundred and sixty-six million, nineteen thousand and nine hundred and twenty-eight (166,019,928) preferred shares.

**4.1.2 Effects of the Merger in the Parties’ corporate capital and provisions related to the quotas held by the Merging Company in the Merged Company.** On the date of the Merger:

(i) the Merging Company shall fully absorb the net assets of Sé in exchange of the quotas held by it in Sé's corporate capital, which will be canceled as a result of the Merger;

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(ii) the interest held by the Merging Company in Sé's corporate capital shall be replaced in the balance sheet of the Merging Company by the assets and liabilities that comprise Sé's net equity, by their respective book value; and

(iii) the corporate capital of the Merging Company shall remain unchanged. Therefore, it is not necessary to establish any exchange ratio.

**4.2 Conditions for the implementation of the Merger.** The implementation of the Merger, the Appraiser indication and the approval of its Report and other terms and conditions of the Protocol are subject to the approval or ratification, as the case may be, of the board of directors and of the shareholders of the Merging Company and of the quotaholder of the Merged Company.

**4.3 Effects of the Merger.** In case the Merger is approved, the Merged Company shall be extinguished and universally succeeded by the Merging Company, without any interruption, in all its assets and liabilities, rights and obligations of any nature whatsoever.

**4.4 Reimbursement amount.** Considering that the Merging Company is the sole quotaholder of the Merged Company, withdrawal rights are not applicable.

**4.5 Use of the corporate name.** The Merged Company may continue to conduct the transactions, on its behalf, until all the registries are formalized and all authorizations required are obtained under the applicable legislation for the effectiveness of the Merger.

## **5 MISCELLANEOUS**

**5.1 Severability.** A potential declaration of nullity or unenforceability of any of the provisions of this Protocol by any court shall not affect the validity and enforceability of the other, which shall be fully complied with. The Parties agree to use their best efforts to validly agree to obtain the same effects of the provision declared null or unenforceable.

**5.2 Entire agreement, exhibits and amendments.** This Protocol and its exhibits constitute the totality of understandings and agreements between the management of the Parties, as applicable, in relation to the matters agreed herein. This Protocol and its exhibits may only be modified or amended by means of a written instrument executed by all the managers of the Parties.

**5.3 Filing.** Once the Merger is approved by the Merging Company's shareholders and by the Merged Company's quotaholder, the management of the Merging Company's shall file and publish all corporate acts related to the Merger.

**5.4 Governing law.** This Protocol shall be governed and construed in accordance with the laws of the Federative Republic of Brazil.

**5.5 Recommendation.** In view of the elements exposed, which include all the requirements of Articles 224 and 225 of the Brazilian Corporate Law, the Merger is deemed to serve the interests of the Parties involved, their shareholders and quotaholder, and therefore its implementation is recommended.

In witness whereof, the Parties execute this Merger Protocol and Justification in six (6) counterparts of the same content and effect in the presence of the two (2) witnesses signed below.



São Paulo, November 18, 2015.

**COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO**

\_\_\_\_\_  
**Ronaldo Iabrudi dos Santos Pereira**  
Chief Executive Officer  
**SÉ SUPERMERCADOS LTDA.**

\_\_\_\_\_  
**Christophe José Hidalgo**  
Vice Chief Executive and Finance Officer

\_\_\_\_\_  
**Antônio Sérgio Salvador dos Santos**

\_\_\_\_\_  
**Luiz Elísio Castello Branco de Melo**

Officer

Officer

**Witnesses:**

Name:  
ID:  
CPF/MF:

Name:  
ID:  
CPF/MF:



**EXHIBIT 3.1**  
**Report**

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SÉ SUPERMERCADOS LTDA.

## **Accounting appraisal report on book value for the purpose of merger**

November 10, 2015

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To the

Shareholders and Members of the companies **Companhia Brasileira de Distribuição and Sé Supermercados Ltda.**

**MAGALHÃES ANDRADE S/C AUDITORES INDEPENDENTES**, a Brazilian auditing and consulting company registered with the Regional Accountants' Board of the State of São Paulo under number 2SP000233/O-3, filed with the Brazilian Corporate Taxpayers' Roll under number 62.657.242/0001-00 and with head offices at Av. Brigadeiro Faria Lima, 1893 - 6th floor, Jardim Paulistano district, city of Sao Paulo, State of Sao Paulo, Brazil, appointed by you to act as an expert appraiser to perform the accounting appraisal of the net assets of Sé Supermercados Ltda., to be merged into the equity of Companhia Brasileira de Distribuição, complying with the due procedures and verifications as required to perform its duties, hereby submits the undersigned.

## **A P P R A I S A L R E P O R T**

attached hereto.

Sao Paulo, November 10, 2015.

MAGALHÃES ANDRADE S/C

A P P R A I S A L R E P O R T

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External Auditors, accreditation number CRC2SP000233/O-3

GUY ALMEIDA ANDRADE

Partner

Accountant, accreditation number: CRC1SP116.758/O-3

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## APPRAISAL REPORT

### INTRODUCTION

1. By means of this present transaction, **Sé Supermercados Ltda. (SÉ or MERGED COMPANY)** is merged into **Companhia Brasileira de Distribuição** (hereby, **CBD or MERGING COMPANY**).
2. The present merger is part of a restructuring project of Grupo Pão de Açúcar (**GPA**), to which both parties above belong, and which chiefly aims at achieving considerable benefits of administrative, economic, and financial nature, primarily by rationalizing and simplifying the corporate structure of **GPA**, enabling operational and tax synergies.
3. Therefore, the purpose of this **APPRAISAL REPORT** is to ascertain the book value of the net assets of **SÉ**, taking into account the company's financial position as of September 30, 2015.
4. The Appraisal Report is hereby issued in connection with the audited balance sheets of the **MERGED COMPANY**, prepared for such purpose on September 30, 2015, as well as the summary of the significant accounting policies.
5. The Management of **SÉ** is responsible for preparing and appropriately presenting the company's balance sheets pursuant to the accounting practices adopted in Brazil and by the internal controls it determined as necessary so that such balance sheets contain no significant discrepancies, whether caused by fraud or error.
6. Our responsibility is to express an opinion on the net assets to be merged based on our audit, conducted in accordance with both Brazilian and international auditing standards. Such standards require compliance with ethical requirements by auditors and that the audit be planned and performed to obtain

reasonable assurance that the financial statements are free from any relevant distortions.

7. An auditing procedure involves performing selected procedures to obtain evidence on the amounts and disclosures made in the financial statements. Such selected procedures depend on the auditors' judgment, including the assessment of risks of material errors in the financial statements, whether due to fraud or error. In such risk assessment, the auditors consider the relevant internal controls to prepare and present appropriately the Company's financial statements to plan all the auditing procedures suitable under these circumstances, but not for the purpose of expressing an opinion on the effectiveness of those internal controls used by the Company. An auditing procedure also includes an evaluation of the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management, as well as an evaluation of the overall presentation of the financial statements taken as a whole.

8. We believe that the audit evidence is sufficient and appropriate to base our opinion.

## FINANCIAL POSITION OF THE MERGED COMPANY

9. The appraisal is made at the book value, pursuant to article 226 of Law 6,404/76 (the Brazilian Corporations Act) and CVM (Brazilian Securities and Exchange Committee) normative instructions numbers 319/99 and 320/99, based on the Company's financial position as shown in the balance sheets ascertained on September 30, 2015 prepared for such purpose, as submitted in **ANNEX 1** and that is summarized as follows:

ASSETS	2,832,551,513.14
(-) LIABILITIES	<u>119,521,106.50</u>
NET WORTH	<u>2,713,030,406.64</u>

10. Such balance sheets have been prepared according to the generally accepted accounting practices adopted in Brazil and complying with CVM standards; in addition, the significant notes to financial statements used to prepare this report are shown in **ANNEX 2**. For appraisal purposes, the company's activities were considered according to the concept of continuity of normal business.

11. The capital stock of **SE** is R\$ 1,444,141,752.09 (one billion, four hundred and forty- four million, one hundred and forty-one thousand, seven hundred and fifty-two reais and nine cents of Brazilian Real), divided into 366,267,034 (three hundred and sixty-six million two hundred and sixty-seven thousand and thirty-four) shares, with the par value of R\$ 3.94286577287 each, fully owned by the only partner or shareholder, **CBD**.

12. As a result of the merger, the shares formerly held by **SE** will be cancelled.

## EFFECTS ON THE MERGING COMPANY

17. The balance sheets of **CBD** as of September 30, 2015 are shown in **ANNEX 3** and its financial position as of that date is summarized below:

ASSETS	22,404,631,607.80
(-) LIABILITIES	<u>11,938,459,857.16</u>
NET WORTH	<u>10,466,171,750.64</u>

18. **CBD** is the controlling entity of **SÉ** and registers such investment on its non-current assets, and evaluates it by the value of the investee's net assets (equity method).

19. As already mentioned, **CBD** is the sole shareholder of **SÉ**.

20. Outstanding balances, both of assets and liabilities, held between **CBD** and **SÉ** are shown in **ANNEX 4** and will be eliminated upon the merger transaction.

21. As a result of the merger, **CBD's** investment made in **SÉ** is reduced, being replaced by the assets and liabilities of the **MERGED COMPANY**, as provided for in **ANNEX 5** with no effect on **CBD's** net worth.

22. **ANNEX 5** also shows all the adjustments resulting from the merger and **CBD'S balance sheets** after such merger.

## CONCLUSION

23. In view of the aforementioned findings and statements, it is hereby concluded that the net worth of **SÉ** to be merged into **Companhia Brasileira de Distribuição** is that of **R\$ 2,713,030,406.64** (two billion, seven hundred and thirteen million, thirty thousand, four hundred and six Real, and sixty-four cents of Real). Such merger, however, does not cause any changes in the net worth of the **MERGING COMPANY**, as it is **SÉ's** sole shareholder, and such amount is recorded in the **MERGING COMPANY's** assets as an investment, which is evaluated by the equity method in order to reflect the value of the net worth of **SÉ**, the subsidiary.

## STATEMENTS

24. The expert appraiser hereby expressly states, pursuant to section I, article 5 of CVM normative instructions No. 319 of December 3, 1999, does not have any interest, whether direct or indirect, in **Companhia Brasileira de Distribuição** or in **Sé Supermercados Ltda.**, or even in this merger transaction, and there is not any other situation that could be deemed as a conflict of interest. The appraiser also reports, pursuant to section II, paragraph 5 of the aforementioned CVM normative instructions No. 319 that all of **CBD's** and **SÉ's** managers did not restrict, hinder or do any acts that could have compromised the access, use or knowledge of information, assets, documents or work methodologies relevant for the quality of the conclusions made.

This Appraisal Report is issued in ten (10) counterparts of equal contents and it is composed of four (4) pages and five (5) annexes printed on one side only and initialed by the undersigned expert appraiser.

Sao Paulo (SP, Brazil), November 10, 2015.

MAGALHÃES ANDRADE S/C

External Auditors, accreditation number CRC2SP000233/O-3

GUY ALMEIDA ANDRADE

Partner

Accountant CRC1SP116.758/O-6

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**SÉ SUPERMERCADOS LTDA.****Balance sheets prepared on September 30, 2015***(amounts stated in Brazilian Real)***ASSETS****Current Assets**

Cash	1,696,624.80
Investments with immediate liquidity	76,934,188.01
Customers	4,771,512.70
Accounts receivable from related parties	1,640,848.03
Third-party credit claims	10,785,312.04
Employees' credits	910,030.38
Recoverable taxes	10,890,587.13
Dividends receivable	34,195,396.15
Credit from suppliers	587,946.89
Inventories	56,814,111.76
Anticipated expenses	2,366,454.29
<b>Total current assets</b>	<b>201,593,012.18</b>

**Noncurrent Assets**

Subsidiaries' credit	2,391,766,560.47
People's credit	11,954.81
Recoverable taxes	1,585,839.34
Escrow deposits with courts of law	2,361,338.98
Other long-term credits	134,094.69
Investments	(0.01)
Net fixed assets	232,118,712.68
Intangible assets	2,980,000.00
<b>Total noncurrent assets</b>	<b>2,630,958,500.96</b>

**TOTAL ASSETS**

2,832,551,513.14



**ANNEX 1 (continued)****SÉ SUPERMERCADOS LTDA.****Balance sheets prepared on September 30, 2015***(amounts stated in Brazilian Real)***LIABILITIES AND NET WORTH****Current Assets**

Loans and financing	7,088,171.75
Suppliers	64,425,683.99
Tax obligations	8,861,662.48
Labor-related obligations	8,492,667.53
Obligations with related parties	235,347.58
Other liabilities	3,120,306.09

<b>Total current liabilities</b>	<b>92,223,839.42</b>
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**Noncurrent Assets**

Loans and financing	21,432,466.05
Contingencies	5,565,981.45
Financial instruments	298,819.58

<b>Total noncurrent liabilities</b>	<b>27,297,267.08</b>
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<b>TOTAL LIABILITIES</b>	<b>119,521,106.50</b>
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**NET WORTH**

Capital Stock	1,444,141,752.09
Capital reserves	319,250,542.37
Profits reserve	949,638,112.18

<b>TOTAL NET WORTH</b>	<b>2,713,030,406.64</b>
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<b>TOTAL LIABILITIES AND NET WORTH</b>	<b>2,832,551,513.14</b>
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## ANNEX 2

### SÉ SUPERMERCADOS LTDA.

#### Notes to the financial statements prepared on September 30, 2015

*(amounts stated in Brazilian Real)*

#### 1. Basis to prepare the financial statements

The individual mid-period financial statements have been prepared pursuant to IAS 34

- "Interim Financial Reporting" issued by the International Accounting Standards Board ("IASB") and according to the accounting Technical Pronouncement CPC 21 - "Interim Financial Reporting", and presented in accordance with the standards approved and issued by the Brazilian Securities and Exchange Committee ("CVM"), applicable to the preparation of Quarterly Financial Statements ("ITR"). The financial statements are based on the historical cost, except for certain financial instruments measured at fair value. These financial statements are stated in Real, the Brazilian legal tender. The valid currency for the MERGED COMPANY is the Brazilian Real. The interim financial statements for the three-month period ended on March 31, 2015 were approved by the Board of Directors on October 29, 2015.

#### 2. Significant accounting policies

##### 2.1. Financial instruments

Financial assets are initially recognized at fair value when the **MERGED COMPANY** assumes contractual rights to receive cash or other financial assets from contracts in which it is part. Financial assets are derecognized when the rights to receive cash flows connected to the financial assets expire or when all the risks and benefits have been substantially transferred to third parties. Assets and liabilities are recognized when rights or obligations are retained in the transfer by the MERGED COMPANY. Financial liabilities are recognized when the **MERGED COMPANY** undertakes contractual obligations to settle in cash or when it undertakes third-parties' liabilities through a contract in which it is part. Financial liabilities are initially recognized at fair value and are derecognized when they are settled, cease to exist, or expire. Financial instruments measured at amortized cost are measured subsequently to their initial recognition at the

effective interest rate. Income and expenses from interests due, monetary and exchange variation, net of estimated losses for not receiving financial assets, are recognized when incurred in the statement of income as financial income and expenses. THE **MERGED COMPANY** ascertains every month the loss estimates for not receiving financial assets. An estimate for loss is recognized when there is objective evidence that the **MERGED COMPANY** failed to receive all amounts payable on their due dates. To make such calculation, the **MERGED COMPANY** considers historical losses, historical statistical information, *aging* of receivables and assessment of the likelihood of further portfolio deterioration, taking into account macroeconomic and market factors. When the collection of accounts receivable is unlikely, its book value and its corresponding loss estimate are recognized in the income statement for the period. Subsequent recoveries are recognized, if any, under the caption selling expenses in the income statement for the year.

**ANNEX 2 (continued)**

**SÉ SUPERMERCADOS LTDA.**

**Notes to the financial statements prepared on September 30, 2015**

*(amounts stated in Brazilian Real)*

**2. Significant accounting policies (continued)**

**2.1. Financial instruments (continued)**

(i) Financial assets

Initial recognition and measurement

The financial assets held by the MERGED COMPANY are classified according to the purpose for which they were acquired or contracted, in the following categories: (i) financial assets at fair value through profit or loss; (ii) loans and receivables, and (iii) investments held to maturity. The MERGED COMPANY determines the classification of its financial assets at initial recognition.

Financial assets are initially recognized and measured at fair value through income and transaction costs, charged to the income statement. Loans and receivables are carried at amortized cost. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (negotiations under normal conditions) are recognized on the trade date, i.e., the date on which the MERGED COMPANY undertakes to purchase or sell such assets. The MERGED COMPANY'S financial assets include cash and cash equivalents, accounts receivable from customers, accounts receivable from related parties, and derivative financial instruments.

Subsequent Measurement

- Financial assets at fair value through profit or loss: they represent assets acquired for purposes of realization in the short term and are measured at fair value on the date of each balance sheets. Interest

rates, monetary variation, exchange variation and variations deriving from the valuation at fair value are recognized in the income statement as financial income or expenses, if any.

- Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, they are measured using the amortized cost method of effective interest rate. Income from interests, indexation, and exchange rate variation, less impairment losses, as applicable, are recognized in the income statement whether as financial income or expenses, as incurred; and
- Financial assets held to maturity: financial assets and liabilities that can not be classified as loans and receivables because they are quoted in an active market. In this case, such financial assets are acquired with the intent and ability to be held in portfolio until maturity. They are valued at merger cost, plus income earned against the income statement, by using the method of effective interest rate.

**ANNEX 2 (continued)**

**SÉ SUPERMERCADOS LTDA.**

**Notes to the financial statements prepared on September 30, 2015**

*(amounts stated in Brazilian Real)*

## **2. Significant accounting policies (continued)**

### **2.1. Financial instruments (continued)**

#### **(i) Financial assets (continued)**

##### *Derecognition of financial assets*

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is derecognized upon:

- The rights to receive cash flows expire; and
- The MERGED COMPANY transfers its rights to receive cash flows from the assets or assumes an obligation to pay in full to a third party the cash flows received under a pass-through arrangement; and (a) the MERGED COMPANY has transferred substantially all the risks and rewards connected to the assets; or (b) the MERGED COMPANY have not transferred nor retained substantially all the risks and connected to the assets, but it has transferred the control thereof.

In case the MERGED COMPANY assigns its rights to receive cash flows from an asset or enters into a pass-through arrangement, without having either transferred or retained substantially all the risks and rewards of the asset nor transferred controlling rights on the asset, such asset is held and recognizes a corresponding liability. The assigned asset and the corresponding liability are measured in a way so as to

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reflect the rights and obligations retained by the MERGED COMPANY and its subsidiaries.

*Impairment losses of financial assets*

On the balance sheet dates, the MERGED COMPANY checks for traces of impairment losses of any asset or group of financial assets. The impairment loss of any asset or group of financial assets is only (and exclusively) considered if there is objective evidence resulting from one or more events that occurred after the initial recognition of the asset (a 'loss event'), and in case such event may impact the estimated future cash flows of the asset or group of financial assets, which can be reliably estimated. Evidence of impairment loss may include signs that debtors (or a group of debtors) are experiencing significant financial difficulties, moratorium or default on repayment of interests or principal, probability of entering in bankruptcy or other financial reorganization and when such data indicate a measurable decrease in future cash flows, such as changes in interest rates on arrears or economic conditions that correlate with defaults.

Particularly in relation to financial assets held to maturity, the MERGED COMPANY will, first of all, check for objective evidence of impairment losses for individual financial assets

**ANNEX 2 (continued)**

**SÉ SUPERMERCADOS LTDA.**

**Notes to the financial statements prepared on September 30, 2015**

*(amounts stated in Brazilian Real)*

**2. Significant accounting policies (continued)**

**2.1. Financial instruments (continued)**

**(i) Financial assets (continued)**

*Impairment losses of financial assets (Continued)*

that are individually significant, or collectively for assets that are not individually significant. If the MERGED COMPANY determines that there is no objective evidence of impairment loss of a financial asset assessed individually - be such loss significant or not - the MERGED COMPANY then ranks it in a group of financial assets with similar credit risk characteristics, which are evaluated collectively. Assets individually assessed for impairment loss, or for which the impairment loss is (or keeps being) recognized are not included in the collective assessment of loss.

The loss amount is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses not incurred) discounted at the original effective interest rate of the financial asset. The carrying value of the asset is reduced by using an allowance account, and the amount of loss is recognized in the income statement of the fiscal year. Income from interests is recorded in the financial statements as part of financial income. In the case of loans or investments held to maturity with variable interest rate, the MERGED COMPANY and its subsidiaries measure the non-recovery based on the fair value of the instrument adopting an observable market price.

If, in a subsequent period, the amount of impairment loss is reduced and such reduction can be related objectively to an event occurring after the recognition of provision (such as an improvement in the debtor's

credit rating), the reversal of impairment loss previously recognized is recognized in the income statement. In case a low is subsequently recovered, the recovery is also recognized in the income statement.

(ii) **Financial liabilities**

Financial liabilities in the scope of the so-called CPC 38 (IAS 39) standard are classified as loans, financing and derivative financial instruments designated as hedging instruments in an effective hedge relationship, as appropriate. The MERGED COMPANY determines the classification of its financial assets at initial recognition. All financial liabilities are initially recognized at fair value and, in the case of loans and financing, plus directly attributable transaction costs. Financial liabilities of the MERGED COMPANY include suppliers, loans and financing, debentures, financing for purchase of assets and derivative financial instruments.

**ANNEX 2 (continued)**

**SÉ SUPERMERCADOS LTDA.**

**Notes to the financial statements prepared on September 30, 2015**

*(amounts stated in Brazilian Real)*

## **2. Significant accounting policies (continued)**

### **2.1. Financial instruments (continued)**

#### **(ii) Financial liabilities (continued)**

##### **Subsequent Measurement**

After initial recognition, loans and borrowings are subsequently measured at amortized cost adopting the method of effective interest rate. Gains and losses are recognized in the income statement when the liabilities are derecognized, as well as by the amortization process using the method of effective interest rate.

##### **Derecognition of financial liabilities**

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired.

When an existing financial liability is replaced by another from the same lender on terms substantially different, or the terms of an existing liability are substantially modified, such a replacement or modification is treated as derecognition of the original liability and the recognition of a new liability, and the difference

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between the respective carrying amounts is recognized in income.

### Compensation of financial instruments

Financial assets and liabilities are offset and presented net in the financial statements if, and only if, there is the right to offset the recognized amounts and also the intention to settle them on a net basis or to realize the assets and settle the liabilities simultaneously.

## **2.2. Transactions in foreign currency**

Transactions in foreign currencies are initially recognized at fair value of the corresponding currencies on the date that the transaction qualifies for recognition. Monetary assets and liabilities stated in foreign currencies are translated into Brazilian Real according to the market price effective on the date of the balance sheets. Differences arising from payment or the translation of monetary items are recognized in the financial income.

## **2.3. Hedge accounting**

The MERGED COMPANY uses derivative financial instruments such as interest rate swaps and foreign exchange swaps. Such derivative financial instruments are initially recognized at fair value on the date the derivative contract is entered into and subsequently remeasured at fair value at each balance sheet date. Derivatives are accounted for as financial assets when fair value is positive and as liabilities when negative. Any gains or losses resulting from changes in the fair value of derivatives are recorded directly in the income statement.

**ANNEX 2 (continued)**

**SÉ SUPERMERCADOS LTDA.**

**Notes to the financial statements prepared on September 30, 2015**

*(amounts stated in Brazilian Real)*

## **2. Significant accounting policies (continued)**

### **2.3. Hedge accounting (continued)**

At the beginning of the hedging relationship, the MERGED COMPANY formally allots and registers the hedge relationship to which it wants to apply the hedge accounting, as well as its target and the risk management strategy to sign it. The documentation includes identification of the hedging instrument, the protected item or transaction, the nature of the hedged risk and how the MERGED COMPANY should assess the effectiveness of changes in the fair value of the hedging instrument in neutralizing the exposure to changes in fair value of hedged item or cash flows attributable to the hedged risk. It is expected that such hedges are highly effective in offsetting changes in fair value or cash flows, and they are continuously assessed to determine whether they actually have been highly effective over all years of financial reports for which they were intended.

For hedge accounting purposes, these are classified as fair value hedges when hedging exposure to changes in fair value of a recognized asset or liability.

They are accounted for as fair value hedges, adopting the following procedures:

- The change in fair value of a derivative financial instrument classified as hedge interest rate is recognized as financial income. The change in fair value of the hedged item is recorded as part of the carrying value of the hedged item and is recognized in the income statement;
- As regards fair value hedges connected to items carried at amortized cost, the adjustment to carrying value is amortized in the income statement over the remaining year until maturity. The amortization of the

effective interest rate may begin as soon as an adjustment exists and shall occur at most at the time when the hedged item ceases to be adjusted for changes in fair value attributable to the hedged risk;

- If the hedged item is derecognized, the unamortized fair value is recognized immediately in profit or loss; and
- To calculate fair value, debts and swaps are measured using rates published in the financial market and projected to the date of maturity. The discount rate used to calculate the interpolation method of foreign currency loans is developed through the curves of DDI, clean Coupon and DI rates used and published by the Brazilian stock exchange known as BM&FBovespa, and for loans in the Brazilian legal currency the DI curve is used, which is an index disclosed by CETIP and calculated by the method of exponential interpolation.

## **2.4. Cash and Cash Equivalents**

Include cash, bank accounts and short-term, highly-liquid investments, readily convertible to known amounts of cash and subject to

**ANNEX 2 (continued)**

**SÉ SUPERMERCADOS LTDA.**

**Notes to the financial statements prepared on September 30, 2015**

*(amounts stated in Brazilian Real)*

## **2. Significant accounting policies (continued)**

### **2.4. Cash and cash equivalents (continued)**

an insignificant risk of change in value, with intention and possibility of being redeemed in the short term within 90 days from the application date.

### **2.5. Accounts receivable**

They are registered and kept in the balance sheets at their sales figures and net of estimated losses from doubtful accounts, which is recognized based on the history of losses and risk analysis of the entire client portfolio and probability of receipt.

Accounts receivables are non-derivative financial assets with fixed payments without quotation in an active market. After initial measurement, these financial assets are subsequently measured at amortized cost using the method of effective interest rate ("EIR"), by deducting the impairment loss. Amortized cost is calculated taking into account any discounts or premiums on merger and fees or costs that compose the EIR. The EIR amortization is included in net financial income, in the income statement of the fiscal year. Expenses arising from the impairment loss are recognized in the income statement of the fiscal year.

At every closing of the balance sheets the MERGED COMPANY assesses whether the assets or groups of financial assets had an impairment loss.

Estimated losses with doubtful accounts of customers is based on a history of effective losses over the last 24 months, besides the evaluation of macroeconomic events such as unemployment and consumer confidence index, as well as the volume of overdue loans of portfolio of accounts receivable.

The receivables are deemed irrecoverable and thus they are written off the portfolio of receivables when the payment is not made after 180 days from the due date.

## **2.6. Inventories**

They are carried at cost or at the net realizable value, whichever is less. Acquired inventories are recorded at average cost, including storage and handling costs, to the extent that such costs are necessary to bring the stocks in its condition of sale in stores, net of rebates received from suppliers. The net realizable value is the selling price in the ordinary course of business, less estimated costs necessary to make the sale. Inventories are reduced by an allowance for losses and breakage, which are periodically reviewed and assessed for adequacy.

**ANNEX 2 (continued)**

**SÉ SUPERMERCADOS LTDA.**

**Notes to the financial statements prepared on September 30, 2015**

*(amounts stated in Brazilian Real)*

## **2. Significant accounting policies (continued)**

### **2.7. Bonuses**

Bonuses received from suppliers are measured and recognized based on contracts and agreements executed, which are recorded in income to the extent that the corresponding inventories are sold. They include agreements for volume purchasing, logistics and timely negotiations for margin restoration, reimbursement of expenses among others and are recorded as a reduction of accounts payable to their suppliers, since under agreement terms the MERGED COMPANY is entitled to liquidate liabilities with suppliers net of bonuses receivable.

### **2.8. Present value adjustment of assets and liabilities**

The current monetary assets and liabilities, when relevant, and long-term assets and liabilities, are adjusted to present value. The adjustment to present value is calculated taking into account contractual cash flows and the corresponding interest rate, whether explicit or implicit. Interests included in revenues, expenses and costs related to those assets and liabilities are adjusted to the appropriate recognition in accordance with the accrual basis. The adjustment to present value of sales in installments is recorded against the caption "Accounts receivable" and its realization is recorded in the "Net operating income" account, according to maturity. Other items in the balance sheet whose application of present value adjustment becomes necessary, has its counterpart in the "Financial income" section.

### **2.9. Reduction to impairment of non-financial assets**

The recovery test (*impairment test*) aims at presenting in a prudent way the actual net realizable value of an asset. Such realization can be performed directly or indirectly, respectively, through sale or the cash flows generation on use of assets in the MERGED COMPANY'S activities.

Every year the MERGED COMPANY performs the impairment test of its tangible or intangible assets or whenever there is any internal or external evidence that the asset may have an impairment loss.

The impairment of an asset is defined as the higher of fair value of the asset or the value in use of its cash generating unit (CGU), unless the asset does not generate cash inflows that are largely independent of the inputs box of other assets or groups of assets.

If the carrying amount of an asset or CGU exceeds its impairment, such asset is deemed as nonrecoverable and a provision for devaluation is created to adjust the carrying value to its impairment. In assessing the impairment, the estimated future cash flows are discounted to present value, adopting a discount rate, which is the capital cost of the CBD ("WACC"), before taxes, that reflects current assessments market about the value of money over time and specific risks of the asset.

**ANNEX 2 (continued)****SÉ SUPERMERCADOS LTDA.****Notes to the financial statements prepared on September 30, 2015***(amounts stated in Brazilian Real)***2. Significant accounting policies (continued)****2.9. Impairment of non-financial assets (continued)**

Impairment losses are recognized in the income statement in those expense categories consistent with the function of the impaired asset. The impairment loss previously recognized is reversed only if there are changes in the assumptions used to determine the recoverable amount of the asset on initial recognition or later, except in the case of goodwill that cannot be reversed in future years.

**2.10. Fixed Assets**

Fixed assets are stated at cost, net of accumulated depreciation and/or impairment losses, if any. The cost includes the amount for the merger of equipment and the borrowing costs for long-term construction projects if the recognition criteria are met. When significant components of property and equipment are replaced, such components are recognized as individual assets with particular shelf lives and depreciations. Likewise, when a significant replacement is performed, its cost is recognized in the carrying amount of the equipment as a replacement, provided they meet the recognition criteria. All other repair and maintenance costs are recognized in profit or loss as incurred in the income of the fiscal year.

<b>Asset category</b>	<b>Average annual depreciation rate</b>
Buildings	2.50%
Leasehold improvements	4.41%
Machines and equipment	9.17%
IT equipment	20.93%
<i>Software</i>	11.81%
Facilities	7.88%
Furniture and equipment	10.21%

Vehicles	21.52%
Decoration	20.0%

Items of fixed assets, and any significant parts are written off upon they are assigned or when there is not any expected future economic benefits derived from its use or assignment. Any gains or losses resulting from the disposal of assets are included in the income statement.

Residual values, shelf life of assets and depreciation methods are reviewed at the end of every year, and adjusted prospectively, if applicable. The MERGED COMPANY revised the shelf life of fixed and intangible assets in year 2014 and concluded that there are no changes to be carried out this fiscal year.

## 2.11. Capitalized interests

Interests from loans directly attributable to the merger, construction or manufacturing of an asset that requires a substantial period of time to be finished for the intended use or sale (qualifying assets) are capitalized as part of the cost of the underlying assets during the construction phase.

**ANNEX 2 (continued)**

**SÉ SUPERMERCADOS LTDA.**

**Notes to the financial statements prepared on September 30, 2015**

*(amounts stated in Brazilian Real)*

## **2. Significant accounting policies (continued)**

### **2.11. Capitalized interests (continued)**

From the date the corresponding asset becomes effective, capitalized costs are depreciated over the estimated shelf life of such asset.

### **2.12. Property investment**

Investment properties are measured at historical cost (including transaction costs), net of accumulated depreciation and or impairment losses, if any.

Investment properties are written off when sold or when they cease to be used permanently and is not expected any future economic benefit from their sale. An investment property is also transferred when there is intent to sell and this case is considered as non-current assets available for sale. The difference between the net sales value and the carrying amount of the asset is recognized in the income statement in the period of derecognition.

### **2.13. Intangible assets**

The separately acquired intangible assets are measured at cost being upon their initial recognition, being deducted by amortization and any impairment losses. The internally generated intangible assets, excluding

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capitalized software development costs, are reflected in the income statement that were incurred.

Intangible assets consist mainly of software purchased from third parties, software developed for internal use, goodwill (right to use the stores), customer lists, advantageous lease agreements, profitable contracts to supply furniture and brands.

Intangible assets with a defined shelf life are amortized using the straight line method. The period and the amortization method are reviewed at least in the end of every fiscal year. Changes in the expected shelf life or in the expected pattern of consumption of future economic benefits embodied in assets are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting assumptions.

Software development costs recognized as assets are amortized over their estimated shelf lives, which is 10 years.

Intangible assets with indefinite shelf lives are not amortized; they are rather tested for impairment in the end of each fiscal year or whenever there are signs that their carrying amount may not be recoverable, whether individually or at the level of cash generating unit. The assessment is reviewed annually to determine whether such indefinite shelf life is still valid. Otherwise, the estimated shelf life is prospectively changed from indefinite to definite.

Gains or losses, where applicable, resulting from derecognition of an intangible asset are measured as the difference between the net proceeds from the sale and

**ANNEX 2 (continued)**

**SÉ SUPERMERCADOS LTDA.**

**Notes to the financial statements prepared on September 30, 2015**

*(amounts stated in Brazilian Real)*

## **2. Significant accounting policies (continued)**

### **2.13. Intangible assets (continued)**

the carrying amount of the asset, being recognized in the income statement of the fiscal year when the asset is written off.

### **2.14. Classification of assets and liabilities as current and noncurrent**

Assets (except for deferred income tax and social contribution) with intent to be realized or intended to be sold or consumed within twelve months from the balance sheets date, are classified as current assets. Liabilities (excluding deferred income tax and social contribution) with settlement expected within twelve months from the balance sheets date are classified as current liabilities. All other assets and liabilities (including deferred taxes) are classified as "non-current" assets and liabilities.

Deferred tax assets and liabilities are classified as "non-current", net per legal entity, as required by the corresponding accounting pronouncement.

### **2.15. Leasing**

The definition of an agreement as a lease is based on the terms of such arrangement on its inception date, that is, if compliance with such agreement depends on the use of one or more specific assets or if such arrangement conveys a right to use the asset.

The MERGED COMPANY leases equipment and commercial spaces under both cancelable and non-cancelable leases. The terms of such leases vary between 5 and 20 years.

#### The MERGED COMPANY as lessee

Leasing agreements that transfer to the MERGED COMPANY substantially all the risks and benefits incidental to ownership of the leased item are capitalized at the inception of the leasing at fair value of the leased property or the present value of minimum lease payments, whichever is less. Leasing payments are apportioned between finance charges and reduction of the leasing liability so as to achieve a constant interest rate on the balance of the liability. Financial costs are recognized as expenses in the fiscal year.

Leased assets are depreciated over their shelf life. However, if there is not a reasonable certainty that the MERGED COMPANY will obtain ownership by the end of the leasing term, the asset is depreciated over its estimated shelf life or the leasing term, whichever is less; capitalization of improvements and renovations carried out in stores are also considered.

**ANNEX 2 (continued)**

**SÉ SUPERMERCADOS LTDA.**

**Notes to the financial statements prepared on September 30, 2015**

*(amounts stated in Brazilian Real)*

## **2. Significant accounting policies (continued)**

### **2.15. Leasing agreements (continued)**

#### The MERGED COMPANY and its subsidiaries as lessees (continued)

The leasing agreements are classified as operating leasing when there is not any transfer of risk and benefits derived from ownership of the leased item.

Payments of leasing installments (excluding costs for services such as insurance and maintenance) classified as operating leases are recognized as expenses, according to their competence, during the term of the lease.

Contingent rents are recognized as expenses in the fiscal years in which they incur. The MERGED COMPANY as lessor

Leasing agreements in which the MERGED COMPANY does not transfer substantially all the risks and rewards of ownership on the asset are classified as operating leasing agreements. Initial direct costs incurred in negotiating operating leasing agreements are added to the carrying value of the leased asset and recognized over the lease term on the same basis as rental income.

Contingent rents are recognized as revenue in the fiscal years in which they are earned.

## 2.16. Allowances

Allowances are recognized when the MERGED COMPANY have a present (whether legal or not formalized) obligation as a result of a past event, and it is probable that an outflow of resources will be required to settle such obligation, and a reliable estimate of the obligation can be made. In cases in which the MERGED COMPANY and its subsidiaries have the expectation of repayment of all or part of the provision - for example, under an insurance contract - the reimbursement is recognized as a separate asset but only when it is virtually certain. An expense connected to any provision is recorded in the income statement of the fiscal year, net of any reimbursement. In cases of lawyers' fees on success, the MERGED COMPANY has as policy to make an allowance at the time such fees are actually incurred, i.e., when the lawsuits are finally judged, and those amounts corresponding to lawsuits not yet finished are disclosed in the notes to the financial statements.

## 2.17. Dividend distribution

The distribution of dividends to the MERGED COMPANY'S shareholders is recognized as a liability in the end of the fiscal year, based on the minimum mandatory dividends as set forth in the bylaws. Any amounts exceeding such

**ANNEX 2 (continued)**

**SÉ SUPERMERCADOS LTDA.**

**Notes to the financial statements prepared on September 30, 2015**

*(amounts stated in Brazilian Real)*

## **2. Significant accounting policies (continued)**

### **2.17. Dividend distribution (continued)**

minimum amount are only recorded on the date on which such incremental dividends are approved by the MERGED COMPANY'S shareholders.

### **2.18. Revenues to be recognized**

Anticipated revenues are recorded by the MERGED COMPANY as a liability by the anticipation of amounts received from trading partners for exclusivity in providing intermediary services of supplementary or extended warranties and recognized in income by submitting a proof of service that such warranties have been actually sold to with commercial partners.

### **2.19. Net Worth**

Equity shares are classified under net worth.

In case equity shares are acquired from the MERGED COMPANY itself (treasury shares), the payable compensation, including any directly attributable incremental costs, is deducted from net worth, and remain registered as treasury shares until the shares are canceled or relocated in the market. When such shares are subsequently relocated, any consideration received, net of any directly attributable incremental

transaction costs, is included in net worth. Losses or gains resulting from the purchase, sale, issue or cancellation of instruments representing the MERGED COMPANY'S own capital are not recognized.

## **2.20. Calculation of the net profit**

Revenues are recognized to the extent that it is probable that the MERGED COMPANY will have economic benefits and it is possible to measure revenues reliably. Revenues are measured at fair value of the consideration received, excluding discounts, rebates and taxes or charges on sales. The MERGED COMPANY assesses its revenue-generating agreements according to specific criteria to determine whether it will act as principal or agent. The MERGED COMPANY concluded that it will act as principal in all its revenue-generating agreements, except those connected to sales of extended warranties brokerage and sale of insurance policy brokerage. Particularly in this case the MERGED COMPANY acts as agent, and the revenue is recognized on a net basis, which reflects the commission received from insurance companies.

**ANNEX 2 (continued)****SÉ SUPERMERCADOS LTDA.****Notes to the financial statements prepared on September 30, 2015***(amounts stated in Brazilian Real)***3. Related parties****3.1. Balances with Companhia Brasileira de Distribuição:**

	<u>2015</u>
<b>Assets</b>	
Customers	1,637,320.89
Accounts receivable from related parties	<u>1,460,381,682.37</u>
	1,462,019,003.26
<b>Liabilities</b>	
Suppliers	40,626,099.80
<b>Transactions</b>	
Sales	348,392,013
Purchases	4,155,184
Revenues (Expenses)	17,862,860

**4. Fixed Assets****4.1. Impairment loss of fixed assets**

In view of the negative external indicators due to the economic downturn, the MERGED COMPANY reviewed the impairment tests performed as of December 31, 2014 with the current assumptions for the base date of September 30, 2015. The MERGED COMPANY concluded not be necessary to recognize loss for non- performance.

## **5. Intangible assets**

### **5.1. Goodwill and intangible asset impairment tests**

Goodwill and intangible assets were subjected to impairment testing on December 31, 2014, by the method described in Note No. 4 - Significant accounting policies of the financial statements as of December 31, 2014 released on February 12, 2015.

In view of the negative external indicators due to the economic downturn, the MERGED COMPANY reviewed the impairment tests performed as of December 31, 2014 with the current assumptions for the base date of September 30, 2015. The MERGED COMPANY concluded not be necessary to recognize loss for non- performance.

**ANNEX 3****COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO****Balance Sheets as of September 30, 2015***(amounts stated in Brazilian Real)***ASSETS****Current Assets**

Cash available	67,957,290.90
Investments with immediate liquidity	1,676,411,784.84
Customers	97,414,247.25
Accounts receivable from related parties	83,196,327.41
Third-party credit claims	147,892,222.26
Employees' credits	28,439,143.50
Recoverable taxes	124,822,407.39
Dividends receivable	57,582,053.28
Credit from suppliers	287,029,815.74
Available for sale	2,418,183.40
Inventories	2,383,996,563.06
Anticipated expenses	77,862,250.67
Financial instruments	109,394,218.14

**Total current assets**

5,144,416,507.84

**Noncurrent Assets**

Credits from subsidiaries	252,414,525.38
People's credit	53,303,762.01
Recoverable taxes	587,751,585.24
Escrow deposits with courts of law	435,747,241.32
Anticipated expenses	20,132,785.04
Other long-term credits	110,725,927.83
Financial instruments	365,899,656.93
Investments	7,810,349,746.76
Net fixed assets	6,897,390,433.21
Intangible assets	726,499,436.24

<b>Total noncurrent assets</b>	17,260,215,099.96
<b>TOTAL ASSETS</b>	22,404,631,607.80

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**ANNEX 3 (continued)****COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO****Balance Sheets as of September 30, 2015***(amounts stated in Brazilian Real)***LIABILITIES AND NET WORTH****Current Assets**

Loans and financing	1,816,322,553.34
Suppliers	2,626,209,287.51
Tax obligations	102,525,235.77
Labor-related obligations	367,956,862.32
Obligations with related parties	1,764,607,944.26
Dividends payable	952,360.77
Other liabilities	474,630,022.86

<b>Total current liabilities</b>	<b>7,153,204,266.83</b>
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**Noncurrent Assets**

Loans and financing	3,606,681,123.79
Taxes payable in installments	580,065,666.16
Contingencies	498,957,763.46
Tax obligations	55,095,792.09
Anticipated revenues	33,935,470.64
Financial instruments	10,519,774.19

<b>Total noncurrent liabilities</b>	<b>4,785,255,590.33</b>
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<b>TOTAL LIABILITIES</b>	<b>11,938,459,857.16</b>
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**NET WORTH**

Capital Stock	6,799,129,214.63
Capital reserves	244,446,747.17
Profits reserve	3,500,740,207.10

5. Intangible assets

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Adjustment reserves	(78,144,418.26)
<b>TOTAL NET WORTH</b>	<b>10,466,171,750.64</b>
<b>TOTAL LIABILITIES AND NET WORTH</b>	<b>22,404,631,607.80</b>

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**ANNEX 4**

**SÉ SUPERMERCADOS LTDA.**

**Balances held with the MERGED COMPANY as of September 30, 2015**

**(amounts stated in Brazilian Real - R\$)**

	<b>Assets</b>		<b>Liabilities</b>
	<b>Current Assets</b>	<b>Noncurrent Assets</b>	<b>Current Assets</b>
Accounts receivable	1,637,320.89		
Receivables from parent company	-	1,460,438,332.04	-
Suppliers	-	-	-
Obligations with related parties	-	-	40,727,466.37
	1,637,320.89	1,460,438,332.04	40,727,466.37

## ANNEX 5

## COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

## Financial position after the merger

(amounts stated in Brazilian Real - R\$)

	Sé		Adjust		Balance after merger
	CBD	Supermercado	Debts	Credits	
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash available	67,957,290.90	1,696,624.80			69,653,915.70
Investments with immediate liquidity	1,676,411,784.84	76,934,188.01			1,753,345,972.85
Customers	97,414,247.25	4,771,512.70			102,185,759.95
Accounts receivable from related parties	83,196,327.41	1,640,848.03		42,364,787.26	42,472,388.18
Third-party credit claims	147,892,222.26	10,785,312.04			158,677,534.30
Employees' credits	28,439,143.50	910,030.38			29,349,173.88
Recoverable taxes	124,822,407.39	10,890,587.13			135,712,994.52
Dividends receivable	57,582,053.28	34,195,396.15			91,777,449.43
Credit from suppliers	287,029,815.74	587,946.89			287,617,762.63
Available for sale	2,418,183.40	-			2,418,183.40
Inventories	2,383,996,563.06	56,814,111.76			2,440,810,674.82
Anticipated expenses	77,862,250.67	2,366,454.29			80,228,704.96
Financial instruments	109,394,218.14	-			109,394,218.14
<b>Total current assets</b>	<b>5,144,416,507.84</b>	<b>201,593,012.18</b>			<b>5,303,644,732.76</b>
<b>Noncurrent Assets</b>					
Subsidiaries' credit	252,414,525.38	2,391,766,560.47		1,460,606,126.03	1,183,574,959.82
People's credit	53,303,762.01	11,954.81			53,315,716.82
Recoverable taxes	587,751,585.24	1,585,839.34			589,337,424.58
	435,747,241.32	2,361,338.98			438,108,580.30

Escrow deposits with courts of law				
Anticipated expenses	20,132,785.04	-		20,132,785.04
Other long-term credits	110,725,927.83	134,094.69		110,860,022.52
Financial instruments	365,899,656.93	-		365,899,656.93
Investments	7,810,349,746.76	(0.01)	2,713,030,406.64	5,097,319,340.11
Net fixed assets	6,897,390,433.21	232,118,712.68		7,129,509,145.89
Intangible assets	726,499,436.24	2,980,000.00		729,479,436.24
<b>Total noncurrent assets</b>	17,260,215,099.96	2,630,958,500.96		15,717,537,068.25
<b>TOTAL ASSETS</b>	22,404,631,607.80	2,832,551,513.14		21,021,181,801.01

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## ANNEX 5 (continued)

## COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

## Financial position after the merger

(amounts stated in Brazilian Real - R\$)

	Sé		Adjust		Balance after merger
	CBD	Supermercados	Debts	Credits	
<b>LIABILITIES AND NET WORTH</b>					
<b>LIABILITIES</b>					
<b>Current Assets</b>					
Loans and financing	1,816,322,553.34	7,088,171.75			1,823,410,725.09
Suppliers	2,626,209,287.51	64,425,683.99	42,364,787.26		2,648,270,184.24
Tax obligations	102,525,235.77	8,861,662.48			111,386,898.25
Labor-related obligations	367,956,862.32	8,492,667.53			376,449,529.85
Obligations with related parties	1,764,607,944.26	235,347.58	1,460,606,126.03		304,237,165.81
Dividends payable	952,360.77	-			952,360.77
Other liabilities	474,630,022.86	3,120,306.09			477,750,328.95
<b>Total current liabilities</b>	<b>7,153,204,266.83</b>	<b>92,223,839.42</b>			<b>5,742,457,192.96</b>
<b>Noncurrent Assets</b>					
Loans and financing	3,606,681,123.79	21,432,466.05			3,628,113,589.84
Taxes payable in installments	580,065,666.16	-			580,065,666.16

Contingencies	498,957,763.46	5,565,981.45		504,523,744.91
Tax obligations	55,095,792.09	-		55,095,792.09
Anticipated revenues	33,935,470.64	-		33,935,470.64
Financial instruments	10,519,774.19	298,819.58		10,818,593.77
<b>Total non-current liabilities</b>	<b>4,785,255,590.33</b>	<b>27,297,267.08</b>		<b>4,812,552,857.41</b>
<b>TOTAL LIABILITIES</b>	<b>11,938,459,857.16</b>	<b>119,521,106.50</b>		<b>10,555,010,050.37</b>
<b>NET WORTH</b>				
Capital Stock	6,799,129,214.63	1,444,141,752.09	1,444,141,752.09	6,799,129,214.63
Capital reserves	244,446,747.17	319,250,542.37	319,250,542.37	244,446,747.17
Profits reserve	3,500,740,207.10	949,638,112.18	949,638,112.18	3,500,740,207.10
Adjustment reserves	(78,144,418.26)	-		(78,144,418.26)
<b>TOTAL NET WORTH</b>	<b>10,466,171,750.64</b>	<b>2,713,030,406.64</b>		<b>10,466,171,750.64</b>
<b>TOTAL LIABILITIES AND NET WORTH</b>	<b>22,404,631,607.80</b>	<b>2,832,551,513.14</b>	<b>4,216,001,319.93</b>	<b>4,216,001,319.93</b>
			<b>21,021,181,801.01</b>	

**EXHIBIT II-A(ii) TO THE MANAGEMENT PROPOSAL**

SPIN-OFF APPRAISAL REPORT

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NOVA PONTOCOM COMÉRCIO ELETRÔNICO S.A.

Appraisal Report based on book value for purposes of total spin-off with merger Nov.05.15 1 00  
080/15

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Dear Shareholders of

NOVA PONTOCOM COMÉRCIO ELETRÔNICO S.A. COMPANY BRASILEIRA DE DISTRIBUIÇÃO

VIA VAREJO S.A.

MAGALHÃES ANDRADE S/S AUDITORES INDEPENDENTES, audit and advisory firm, enrolled with the Regional Accounting Council of the State of São Paulo under n° 2SP000233/O-3 and with the National Corporate Taxpayers' Registry under n° 62.657.242/0001-00, headquartered at Av. Brigadeiro Faria Lima, 1893 - 6° andar, Jardim Paulistano, São Paulo, SP, appointed by you as the appraiser responsible for the appraisal of the net worth of Nova Pontocom Comércio Eletrônico S.A., for purposes of total spin-off and merger of the spun-off portions into the net worth of Companhia Brasileira de Distribuição, Via Varejo S.A., Holding 1 and Holding 2, upon compliance with the necessary diligences and verifications to perform the work, presents the attached

Appraisal Report

In which terms, we subscribe. São Paulo, 5 November 2015

MAGALHÃES ANDRADE S/S

Independent Auditors CRC2SP000233/O-3

[signature]

GUY ALMEIDA ANDRADE

Partner

Accountant CRC1SP116758/O-6

## APPRAISAL REPORT

### INTRODUCTION

20. Grupo Pão de Açúcar is undertaking a reorganization whereby, according to the managements of NOVA PONTOCOM COMÉRCIO ELETRÔNICO S.A. (NOVA PONTOCOM or SPUN-OFF COMPANY) and RECEIVING COMPANIES, COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO (CBD), VIA VAREJO S.A. (VIA VAREJO), HOLDING 1 and HOLDING 2, the Spin-off will trigger the transfer and the subsequent merger of the total assets and liabilities of NOVA PONTOCOM, which will result in equity and financial benefits to the Parties and optimize the corporate structure of the group to which these companies belong, as it allows each of the Parties to have more autonomy and flexibility in the management of their investments.

21. HOLDINGS 1 and 2, which will incorporate a portion of the net assets were in process of incorporation at the time of preparation of this report. Capital stock of the holdings shall be

paid up by shares of NOVA PONTOCOM held by minority shareholders.

22. Accordingly, the purpose of this Report is to determine the value of the net worth at book value to be spun-off, taking into consideration the financial condition of NOVA PONTOCOM as at 30 September 2015.

23. The Report is issued in connection with the audit of the balance sheet of NOVA PONTOCOM prepared for such purpose as at 30 September 2015. The management is responsible for the preparation and appropriate presentation of these financial statements in accordance with accounting practices adopted in Brazil and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, regardless if caused by fraud or error.

24. The appraisal was conducted in accordance with Brazilian and international auditing rules. Such rules require the compliance with ethical rules by the auditors and that the audit is planned and performed with purposes to obtain reasonable assurance that the financial statements are free from material misstatement.

25. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The chosen procedures depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, regardless if caused by fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and appropriate presentation of the financial statements in order to design audit procedures that are adequate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



26. We believe that the audit evidence obtained is enough and appropriate to support the opinion.

#### FINANCIAL CONDITION OF NOVA PONTOCOM

27. The assessment is carried out at book value, as set forth in article 226 of Law 6404/76, and based on the financial condition reflected in the Balance Sheet as at 30 September 2015, included as EXHIBIT 1 and whose financial condition of negative equity is broken down as follows:

ASSETS	236,205,960.79
(-) LIABILITIES	<u>250,692,486.65</u>
NEGATIVE EQUITY	(14,486,525.86)

28. Such balance sheet was prepared in accordance with accounting practices adopted in Brazil

and considered, for purposes of assessment, that the company shall continue as a going concern. EXHIBIT 2 describes the main accounting practices and policies adopted by NOVA PONTOCOM.

29. NOVA PONTOCOM maintains its accounting records in a regular manner in own books and the balances are duly recorded and reconciled.

30. In NOVA PONTOCOM's assets there are tax credits arising from accumulated losses, net of the provision for impairment loss of these assets, in the amount of R\$ 4,014,222.34 (four million, fourteen thousand, two hundred and twenty-two and thirty-four cents). As this balance cannot be offset against the RECEIVING COMPANIES' profit, this balance shall be reduced to zero. Such adjustment was adopted in this Report and is described in EXHIBIT 3 hereto.

31. In assets, there is also a credit arising from deferred temporary differences, which shall be adjusted to reflect the benefit that shall be transferred, which reduces the balance by R\$1,375,225.63.

32. On 5 November 2015, management used a portion of the balance of the loan agreements entered with shareholders Companhia Brasileira de Distribuição and Via Varejo to partially offset accumulated losses. This offset is in the amount of R\$ 19,885,973.83 (nineteen million, eight hundred and eighty-five thousand, nine hundred and seventy-three Reais and eighty-three cents), out of which R\$ 10,895,645.22 (ten million, eight hundred and ninety-five thousand, six hundred and forty-five Reais and twenty-two cents) against CBD and R\$ 8,990,328.61 (eight million, nine hundred and ninety thousand, three hundred and twenty-eight Reais and sixty-one cents) against Via Varejo.

33. The SPUN-OFF COMPANY has a current account balance with CBD, in the amount of R\$2,406,046.80 (two million, four hundred and six thousand, forty-six Reais and eighty cents). This balance shall be offset upon merger and shall not impact the RECEIVING COMPANY's net worth.

34. In liabilities, the SPUN-OFF COMPANY has credits arising from loan agreements with CBD, in the total amount of, after the adjustment referred to in paragraph 13, R\$ 88,982,827.52 (eighty-eight million, nine hundred and eighty-two thousand, eight hundred and twenty-seven Reais and fifty-two cents) and with VIA VAREJO, in the total amount of R\$ 74,876,159.77 (seventy-four million, eight hundred and seventy-six thousand, one hundred and fifty-nine Reais and seventy-seven cents). These balances shall be offset upon merger and shall not impact the RECEIVING COMPANIES' net worth.

35. By virtue of the adjustments described in paragraphs 11, 12 and 13, the financial condition of NOVA PONTOCOM, as at 30 September 2015, for purposes of spin-off, is described in EXHIBIT 4 and is summarized as follows:

ASSETS	230,816,512.82
(-) LIABILITIES	<u>230,806,512.82</u>
SHAREHOLDERS' EQUITY	10,000.00

36. The capital stock of NOVA PONTOCOM amounts to R\$ 50,741,294.71 (fifty million, seven hundred and forty-one thousand, two hundred and ninety-four Reais and seventy-one cents) and is divided into 60,692,838 (sixty million, six hundred and ninety-two thousand and eight hundred and thirty-eight) shares, distributed as follows:

Quantity

Shareholders	Shares	Capital Stock	Interest
Company Brasileira de Distribuição	32,290,656	26,996,096.19	53.203%
Via Varejo S.A.	26,643,996	22,275,294.71	43.900%
German Pasquale Quiroga Vilardo	826,232	690,758.30	1.361%
Eduardo Khair Chalita	826,233	690,759.13	1.361%
Deni Yoku Higa	9,055	7,570.29	0.015%
Werner Gernano Dopheide	6,686	5,589.73	0.011%
Hilda Luzia Kozlowski	5,572	4,658.38	0.009%
Marcel Jacob	2,785	2,328.36	0.005%



Marcelo Machado Estevão	1,811	1,514.06	0.003%
Lucas Correia dos Santos	3,621	3,027.28	0.006%
Demetrius Ferreira da Silva	1,114	931.34	0.002%
CintiaMendonça	1,950	1,630.27	0.003%
Gabriel Chagas Cordeiro	975	815.13	0.002%
José Ricardo Tancredi	3,900	3,260.53	0.006%
Julia Barreto Rueff	1,950	1,630.27	0.003%
Lilian Tiemi Takada	3,900	3,260.53	0.006%
Luciano de Freitas Manolio	3,900	3,260.53	0.006%
Marcelo Luiz Pagotto Recco	3,900	3,260.53	0.006%
MarciaTeixeira	1,950	1,630.27	0.003%
Márcio Vianna de Melo	3,900	3,260.53	0.006%
Marco Antonio Provetti	5,850	4,890.80	0.010%
Regis Borghi	19,501	16,303.51	0.032%
Valéria de Almeida Valentim	3,900	3,260.53	0.006%
Vicente R. de Rezende Filho	19,501	16,303.51	0.032%
	60,692,838	50,741,294.71	100.000%

37. Based on the restated balance sheet of NOVAPONTOCOM, on the spin-off is based, the equity value of shares is R\$ 0,000165.

Caption:

*Valor patrimonial das ações* –Equity value of the shares

*Valor do passivo a descoberto* –Value of insufficiency of assets

*Quantidade de ações* - Number of Shares.



#### EFFECT OF THE SPIN-OFF ON NOVA PONTOCOM

38. As a result of the spin-off, NOVA PONTOCOM shall be extinct, and its net assets shall be absorbed by the RECEIVING COMPANIES, as set forth in EXHIBIT 4.

Shares held by CBD, VIA VAREJO, HOLDING 1 and HOLDING 2, equal to the spin-off shall be forfeited and replaced with assets and liabilities incorporated thereby.

#### EFFECT OF THE MERGER ON CBD

26. CBD absorbs part of the net worth of NOVA PONTOCOM in the amount of R\$5,320.34 (five thousand, three hundred and twenty Reais and thirty-four cents), as demonstrated in EXHIBIT 4.

27. NOVA PONTOCOM's shares held by CBD shall be cancelled and replaced with assets and liabilities incorporated thereby, while CBD's interest in NOVA PONTOCOM is extinguished, in the exact amount of the net assets incorporated hereby, without any impact on its net worth.

#### EFFECT OF THE MERGER ON VIA VAREJO

28. VIA VAREJO absorbs part of the net worth of NOVA PONTOCOM in the amount of R\$4,389.97 (four thousand, three hundred and eighty-nine Reais and ninety-six cents).

29. NOVA PONTOCOM's shares held by VIA VAREJO shall be cancelled and replaced with assets and liabilities incorporated thereby, while VIA VAREJO's interest in NOVA PONTOCOM is extinguished, in the exact amount of the net assets absorbed hereby, without any impact on its net worth.

#### EFFECT OF THE MERGER ON HOLDING 1

30. HOLDING 1 absorbs part of the net worth of NOVA PONTOCOM in the amount of R\$272.27 (two hundred and seventy-two Reais and twenty-seven cents), as demonstrated in EXHIBIT 4.

The shares of NOVA PONTOCOM held by HOLDING 1 will be replaced and forfeited by the assets and liabilities incorporated thereby, at the same time as the interest of HOLDING 1 in NOVA PONTOCOM will be extinct, at the exact amount of the net asset absorbed, without any impact in its net asset.

#### EFFECT OF THE MERGER ON VIA HOLDING 2

31. HOLDING 2 absorbs part of the net worth of NOVA PONTOCOM in the amount of R\$17.42 (seventeen Reais and forty-two cents), as demonstrated in EXHIBIT 4.

32. The shares of NOVA PONTOCOM held by HOLDING 2 will be replaced and forfeited by the assets and liabilities incorporated thereby, at the same time as the interest of HOLDING 2 in NOVA PONTOCOM will be extinct, at the exact amount of the net asset incorporated, without any impact in its asset.

## CONCLUSION

33. Given the findings and statements, it can be concluded that the Spun-Off Company's installment of NOVA PONTOCOM on 30 September 2015, transferred to COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO, to VIA VAREJO S.A., and to two new Holdings, represents an adjusted net worth of R\$10,000.00 (ten thousand Reais) and is in compliance with article 226 of Law 6,404/76.

## REPRESENTATIONS

34. The appraisal expert expressly represents that she has no interest, directly or indirectly, in NOVA PONTOCOM COMÉRCIO ELETRÔNICO S.A., in COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO, in VIA VAREJO S.A., in HOLDING 1 and in HOLDING 2 or even in the transaction, and that there is no other circumstance that could characterize a conflict of interest. She also informs that the managers of NOVA PONTOCOM, CBD, and VIA VAREJO did not limit, difficult, or perform any acts that could have compromised the access, use, or knowledge of information, properties, documents, or work methods relevant to the quality of the respective conclusions.

This Report is issued in six (6) counterparts and has seven (7) pages and four (4) exhibits, printed on just one side and initialed by the undersigned expert.

São Paulo, 5 November 2015.

MAGALHÃES ANDRADE S/S

Independent Auditors CRC2SP000233/O-3

[signature]

GUY ALMEIDA ANDRADE

Partner

Accountant CRC1SP116758/O-6

## NOVA PONTOCOM COMÉRCIO ELETRÔNICO S.A.

## EXHIBIT 1

## Balance Sheet as of 09.30.2015 (amounts in Reais) ASSETS

Current	
Judicial Deposits	3,124,729.26
Recoverable PIS	4,250,121.39
Recoverable COFINS	20,567,217.42
Income Tax to be Refunded/Offset	3,405,094.21
Recoverable INSS	491,684.76
Total Current Assets	31,838,847.04
Non-current	
Credit Receivables - Globex	(0.04)
Credit Receivables - CBD	2,406,046.80
Deferred Income Tax - Tax Loss	12,951,887.15
Provision for Loss - Deferred Income Tax - Tax Loss	(8,937,664.81)
Deferred Income Tax - Temporary Differences	1,448,086.98
PIS	47,384,918.22
COFINS	214,248,882.40
Equity Interests - CNova	(77,483,243.53)
Equity Interests - Lux Co.	12,295,904.46
Equity Interest at CDiscount	52,296.12
Total non-current assets	204,367,113.75
TOTAL ASSETS	236,205,960.79

## LIABILITIES AND NET WORTH

## LIABILITIES

Non-current	
Obligations Extra.COM	5,517,241.38
NPC - Brussels (Reimbursement of Expenses)	61,215,986.06
Other Provisions	214,298.09
Provisions for Contingencies	4,415,252.59
Indemnification Assets	(4,415,252.59)
Loan Agreement - CBD	76,144,039.11
Loan Agreement - Via Varejo	63,937,417.39
Interest without Loan Agreement - CBD-NPC	23,734,433.63
Interest without Loan Agreement - Via Varejo	19,929,070.99
TOTAL LIABILITIES	250,692,486.65
NET WORTH	
Paid-up Capital Stock	50,741,294.71
Equity Method	165,853.33
Capital Reserve	6,120,324.11
Legal Reserve	404,762.17
Transactions with non-controlling shareholders NPC	320,613,633.33
Fair Value - Financial Assets	8,585.88
Profit (Loss) in the Corporate Interest	(15,871,321.17)
Accumulated Profit (Loss)	(295,506,586.68)
Equity Valuation Adjustment (Law 11.638/07)	21,697,831.21
CN Stock Option Reserve	7,166,617.12
Discount Stock Option Reserve	5,248,080.01
Shares Held in Treasury	(742,846.83)
Pension Plan - CDiscount	(1,531,120.81)
Accumulated Conversion Adjustments	(113,001,632.24)

TOTAL NET WORTH	(14,486,525.86)
TOTAL LIABILITIES AND NET WORTH	236,205,960.79

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NOVA PONTOCOM COMÉRCIO ELETRÔNICO S.A.

EXHIBIT 2

Main Accounting Practices and Policies

3. Accounting rules

The financial statements were prepared pursuant to the rules issued by the Brazilian Accounting Pronouncements Committee –CPC and approved by the Federal Accounting Council –CFC.

The financial statements were prepared based on the historical cost, except for certain financial instruments, measured at the fair value.

The financial statements are submitted in Real, which is the functional currency and the presentation currency of the Company and its subsidiaries.

4. Preparation and presentation basis

4.1. Use of judgments and estimates

The preparation of the Company's financial statements requires management to use judgments, estimates, and assumptions that affect the stated amounts of revenues, expenses, assets, liabilities, and their relevant disclosure, in addition to the disclosure of the contingent liabilities. Uncertainties regarding such assumptions and estimates may deliver results that require material adjustments to the carrying amount of affected assets or liabilities in future fiscal years.

Trials

In the process of enforcing the Company's accounting policies, Management adopted the following judgments, which significantly affected the amounts recognized in the financial statements:

Estimates and assumptions

We describe below the main assumptions with respect to

5. Intangible assets